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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

LYRICFIND, INC.,

Plaintiff,

v.

MUSIXMATCH S.P.A. and
TPG GLOBAL, LLC,

Defendants.

Case No. 3:25-cv-02265-JSC

**PLAINTIFF LYRICFIND INC.'S
OPPOSITION TO MUSIXMATCH
S.P.A.'S MOTION TO DISMISS
PURSUANT TO FED. R. CIV. P.
12(b)(2) & (6)**

Hon. Jacqueline Scott Corley

Hearing Date: August 21, 2025

Time: 10:00 AM

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10	<i>Wisconsin v. Indivior Inc. (In re Suboxone (Buprenorphine Hydrochloride & Naloxone) Antitrust Litig.)</i> , No. 13-MD-2445, 2017 U.S. Dist. LEXIS 179101 (E.D. Pa. Oct. 30, 2017).....	35
11	<i>World-Wide Volkswagen Corp. v. Woodson</i> , 444 U.S. 286 (1980).....	14
12	<i>X Corp. v. Bright Data Ltd.</i> , No. C 23-03698 WHA, 2025 U.S. Dist. LEXIS 75033 (N.D. Cal. Apr. 18, 2025).....	25, 2, 26, 29
13	<i>Yahoo! Inc. v. La Ligue Contre Le Racisme et L'antisemitisme</i> , 433 F.3d 1199 (9th Cir. 2006).....	10
14	<i>ZF Meritor, LLC v. Eaton Corp.</i> , 696 F.3d 254, 287 (3d Cir. 2012).....	20

Statutes

25	15 U.S.C. § 22	7
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Other Authorities

27	Cal. Civ. Proc. Code § 410.10	6
28	Fed. R. Civ. P. 12(b)(6).....	1

1	Fed. R. Civ. P. 15	40
2	Fed. R. Civ. P. 8(a)(2)	40
3	Thomas Krattenmaker & Steven Salop, <i>Anticompetitive Exclusion: Raising Rivals' Costs to Achieve Power Over Price</i> , 96 Yale L.J. 209, 224 (1986)	18
4	Phillip E. Areeda and Herbert Hovenkamp, 2 Antitrust Law ¶ 348 (4th ed. 2024)	15, 17
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1 **MEMORANDUM OF POINTS AND AUTHORITIES**

2 **STATEMENT OF ISSUES TO BE DECIDED**

3 Whether the Court may exercise personal jurisdiction over Defendant Musixmatch, S.p.A.
 4 (“Musixmatch”).

5 Whether plaintiff LyricFind, Inc. (“LyricFind”) has plausibly stated claims against
 6 Musixmatch under Fed. R. Civ. P. 12(b)(6).

7 **PRELIMINARY STATEMENT**

8 This case concerns a multi-faceted scheme by Musixmatch and its private-equity owner TPG
 9 Global, LLC (“TPG”) (together “Defendants”) to foreclose competition in the markets for Lyric Data
 10 Services and Lyric Rights Licensing—two inputs that digital service providers (“DSPs”) need to
 11 display song lyrics on their platforms. Plaintiff LyricFind is Musixmatch’s only significant rival in
 12 these markets and, until recently, had threatened to erode Musixmatch’s monopoly by offering better
 13 prices and higher-quality services to DSPs. Rather than face this competition, Musixmatch and TPG
 14 schemed to end it—first by trying to buy LyricFind, and then by paying a major music publisher,
 15 California-based Warner Chappell Music (“WCM”), to help drive LyricFind from the market. To do
 16 so, Defendant paid WCM to cut off LyricFind’s ability to provide lyric services for WCM’s titles,
 17 and limit those rights exclusively to Musixmatch, so that DSPs would be forced to contract with
 18 Musixmatch. This arrangement, referred to herein as the “Exclusive,” has already foreclosed virtually
 19 all competition in the relevant markets, in the United States and elsewhere, violating Sections 1 and 2
 20 of the Sherman Act, the Cartwright Act, and the other laws set forth in the Complaint. (ECF No. 50).

21 Courts have long condemned exclusivity schemes like the Exclusive, where a seller or
 22 distributor forecloses its rivals’ access to key inputs, thereby driving them from the market, so it can
 23 raise prices. Musixmatch’s Motion to Dismiss (“Motion”) (ECF No. 53), which attempts to miscast
 24 this dispute as a unilateral termination of licensing rights disconnected from the U.S., is belied by
 25 governing precedent and LyricFind’s well-pled allegations, as well as Musixmatch’s deep roots in
 26 and intentional targeting of the United States.

27 Each of Musixmatch’s dismissal arguments fails.

1 First, this Court has personal jurisdiction over Musixmatch because it purposefully directed
 2 its anticompetitive conduct at the United States and California. The United States is the epicenter of
 3 the lyric-services industry, home to WCM’s licensing business, much of Musixmatch’s leadership,
 4 and nearly all major DSPs impacted by the Exclusive. The Exclusive’s effects—higher prices and less
 5 choice for DSPs—were inextricably targeted at the United States, which is the relevant forum for
 6 LyricFind’s antitrust claims. Musixmatch also purposefully availed itself to this forum in myriad
 7 ways, including through its multiple U.S.-based executives and directors, its coordination with U.S.-
 8 based WCM, and its extensive business relationships with U.S.-based DSPs and publishers.

9 Second, LyricFind has suffered quintessential antitrust injury. Its lost profits and depressed
 10 value flow directly from Musixmatch’s efforts to foreclose competition and reduce market choices—
 11 precisely the type of harms that the antitrust laws were designed to prevent.

12 Third, the Exclusive is sufficiently durable and forecloses a sufficient share of the relevant
 13 markets. The Ninth Circuit’s recent decision in *Costar Grp., Inc. v. Com. Real Est. Exch., Inc.*, No.
 14 23-55662, 2025 U.S. App. LEXIS 15354, at *8 (9th Cir. June 23, 2025) rejected Musixmatch’s
 15 arguments that the Exclusive’s specific end date must be alleged and that foreclosure should be
 16 measured based on WCM’s share of the upstream publishing market.

17 Fourth, copyright law does not shield Musixmatch from antitrust liability. Courts have
 18 consistently rejected the notion that exclusivity arrangements involving intellectual property are
 19 beyond the reach of the Sherman Act. Musixmatch and WCM are independent economic actors with
 20 distinct motivations who can conspire under Section 1 as a licensor and licensee.

21 Fifth, the relevant markets in the Complaint are plausible. The Lyric Data Services and Lyric
 22 Rights Licensing and Sublicensing markets reflect commercial realities and have well-defined
 23 boundaries. These market definitions are coherent and sufficient at the pleading stage. LyricFind also
 24 alleges both direct and indirect evidence of Musixmatch’s monopoly power, including
 25 supracompetitive pricing, degraded service quality, and dominant market shares of approximately
 26 80% and 66%. These allegations are more than sufficient to support LyricFind’s Section 2 claims.

27 Finally, LyricFind plausibly alleges that Musixmatch interfered with its prospective business
 28 relationships with Spotify and iHeartRadio by disrupting negotiations and improperly disclosing

1 confidential information. The Complaint sufficiently pleads all required elements, including actual
 2 disruption and resulting harm. LyricFind also states a valid claim for breach of the Non-Disclosure
 3 Agreement (“NDA”), sufficiently identifying the contract, Musixmatch’s breach, and the resulting
 4 costs and business disruption.

5 For all these reasons, Musixmatch’s Motion should be denied in its entirety.

6 STATEMENT OF FACTS

7 LyricFind and Musixmatch compete in the markets for Lyric Data Services and Lyric Rights
 8 Licensing, which are distinct but complementary services that DSPs need to display song lyrics to
 9 consumers. Lyric Data Services consist of the technical infrastructure—lyrical text files, translations,
 10 synchronization data, and royalty administration—that enable DSPs to stream lyrics on their digital
 11 platforms and allocate royalties. Compl. ¶¶ 2, 85. Lyric Rights Licensing provides the legal
 12 authorization that DSPs need from rights holders, like music publishers, to display lyrics under U.S.
 13 law. *Id.* ¶¶ 1–5, 40, 100–110. Because DSPs often cannot obtain Lyric Rights Licensing directly from
 14 music publishers, there is a distinct submarket for Lyric Rights Sublicensing, in which lyric-service
 15 providers sublicense lyric rights to DSPs on behalf of music publishers. *Id.* ¶¶ 80–85. Musixmatch is
 16 a monopolist in the Lyric Data Services and Lyric Rights Sublicensing markets, with market shares of
 17 80% and 66%, respectively. *Id.* ¶¶ 156, 162.

18 The United States is the epicenter of both markets. *See* Declaration of Darryl Ballantyne,
 19 dated July 10, 2025 (“Ballantyne Decl.”) ¶¶ 14–18. Virtually all the major music publishers that
 20 supply lyric rights to LyricFind and Musixmatch are based in the United States, including the “Big
 21 Three”: WCM, Sony Music Publishing (“Sony”), and Universal Music Publishing Group (“UMPG”).
 22 *Id.* ¶ 6; Compl. ¶ 12. Most of LyricFind’s and Musixmatch’s DSP customers are also based in the
 23 United States, including Apple Music, YouTube, Instagram, Facebook, Microsoft, Amazon Music,
 24 Tidal, Snapchat, and iHeartRadio. Declaration of Benjamin Steinberg, dated July 10, 2025
 25 (“Steinberg Decl.”) ¶ 9, Ex. G. In sum, the United States is where Musixmatch and LyricFind both
 26 obtain lyric inputs and service their customers—and thus, where they compete. Indeed, both of
 27 Musixmatch’s co-Presidents are based in the United States, *id.* ¶¶ 3–4, Exs. A–B; two-thirds of
 28 Musixmatch’s board members are based in the United States., *id.* ¶¶ 11–13, Exs. 11–13; and, until this

1 lawsuit was filed, Musixmatch's website said it was located in San Francisco, with a prominent image
 2 of the Golden Gate Bridge. *Id.* ¶¶ 6–7, Exs. D–E.

3 Historically, all major publishers, including WCM, worked with lyric-services providers on a
 4 non-exclusive basis, enabling Musixmatch and LyricFind to compete for DSPs' business on price and
 5 quality. Compl. ¶¶ 145–150. In this competitive environment, LyricFind was able to gain market
 6 share and became a true competitive threat to Musixmatch's monopoly. *See id.* ¶¶ 3, 67, 96–100. As
 7 LyricFind neared a lucrative deal with Spotify, one of Musixmatch's largest customers, Musixmatch
 8 devised a multifaceted scheme to eliminate LyricFind as a competitive threat once and for all. *Id.* ¶¶
 9 101–10. It did so together with TPG, the U.S.-based private equity fund that acquired Musixmatch in
 10 2022, and whose U.S.-based partners direct Musixmatch's board. *Id.* ¶¶ 50–60, 180–190.

11 First, in 2023, TPG tried to acquire LyricFind to remove it from the market. The potential
 12 acquisition was evaluated under the NDA that prohibited Musixmatch and TPG from using
 13 LyricFind's confidential information for any other purpose. *Id.* ¶¶ 117–120. When TPG's acquisition
 14 bid failed, Musixmatch and TPG leaked NDA-protected information about LyricFind to Spotify to try
 15 to prevent Spotify from signing with LyricFind, violating the NDA. *Id.* ¶¶ 104–05, 127–30.

16 Musixmatch's fear of losing Spotify was acute: LyricFind had nearly finalized a deal with
 17 Spotify to become its lyrics provider at rates substantially below Musixmatch's. *Id.* ¶¶ 17, 103, 106.
 18 Instead of lowering its prices or making a better offer to Spotify, Musixmatch and TPG opted to
 19 foreclose competition altogether by cutting off LyricFind's ability to supply the lyrics that DSPs
 20 demand, which LyricFind had been distributing successfully for more than fifteen years. *Id.* ¶ 144. To
 21 do so, Musixmatch paid one of the Big Three publishers, California-based WCM, for the exclusive
 22 right to distribute Lyric Data Services and Lyric Rights Licensing for WCM's titles. This ensured that
 23 Musixmatch, and no other lyric services provider, could provide lyric services for the songs
 24 controlled in whole or in part by WCM, which account for around 30% of all music streams and 60%
 25 of the top 100 songs. *Id.* ¶ 23. WCM's music licensing business, which oversees this lyric licensing,
 26 is based in the United States, and primarily operates out of Los Angeles. Ballantyne Decl. ¶¶ 6, 8–9.

27 This exclusive arrangement—the “Exclusive”—was unprecedented in the lyrics industry and
 28 was consummated behind closed doors, without notice, bidding, or public disclosure. *Id.* ¶¶ 7, 21,

1 107, 133, 137–39, 141. Never before had a lyric services provider commandeered the exclusive right
 2 to provide Lyric Data Services for a major publisher’s catalog, as the only reason to do so would be
 3 to foreclose competition. *Id.* ¶¶ 7, 21, 107, 133, 139. That is precisely what occurred.

4 The Exclusive has foreclosed virtually all competition for Lyric Data Service and Lyric Rights
 5 Sublicensing, forcing DSPs to contract with Musixmatch at supracompetitive prices. *Id.* ¶ 140, 152–
 6 54, 161, 164–65. In April 2024, Spotify was forced to re-sign with Musixmatch at prices well above
 7 what LyricFind had offered. *Id.* ¶¶ 18, 24, 108. New York-based iHeartRadio, another major DSP,
 8 similarly terminated renewal discussions with LyricFind and was forced to switch to Musixmatch, at
 9 prices five-times higher than what LyricFind had charged. *Id.* ¶¶ 25, 169. All other major DSPs,
 10 almost all of whom are based in the United States, will be forced to pay Musixmatch’s
 11 supracompetitive prices to continue displaying lyrics for popular songs. *Id.* ¶¶ 18, 25, 70, 108, 136,
 12 154; Ballantyne Decl. ¶15. This near-complete foreclosure of competition will persist for years given
 13 that most DSPs sign multi-year contracts and cannot practically source lyrics from multiple providers.
 14 *Id.* ¶¶ 68–69, 95, 148.

15 The anticompetitive effects of the Exclusive are thus concrete, ongoing, and durable, and they
 16 emanate from and will be felt overwhelmingly in the United States. Ballantyne Decl. ¶¶ 15–18. The
 17 Exclusive was jointly orchestrated by Musixmatch’s co-Presidents and directors in the United States,
 18 who worked together with Musixmatch’s owner, TPG, based in Texas and San Francisco. Compl.
 19 ¶¶ 7, 32, 101–10. The WCM lyrics business over which Musixmatch has gained exclusivity is also
 20 based in the United States, as are most of the DSPs who will be forced to pay Musixmatch’s
 21 supracompetitive prices. In short, the Exclusive’s elimination of choice, innovation, and competitive
 22 pricing was aimed at the United States and will be borne by U.S. customers. *Id.* ¶¶ 133–135, 275–
 23 285. LyricFind brings this lawsuit to restore this U.S.-centric competition, prevent further harm to its
 24 business, and recover for the ongoing losses it has incurred.

25 ARGUMENT

26 I. Legal Standard

27 “To survive a motion to dismiss, a complaint must contain sufficient factual matter, accepted
 28 as true, to ‘state a claim to relief that is plausible on its face.’” *Ashcroft v. Iqbal*, 556 U.S. 662, 678,

(2009) (quoting *Bell Atl. Corp. v. Twombly*, 550 U.S. 544, 570 (2007)). “When considering a motion to dismiss, [courts] accept all facts alleged in the complaint as true and construe the pleadings in the light most favorable to the nonmoving party.” *Costar*, 2025 U.S. App. LEXIS 15354, at *8 (citing *Ass’n for L.A. Deputy Sheriffs v. City of Los Angeles*, 648 F.3d 986, 991 (9th Cir. 2011)). At the pleading stage, “a plaintiff need only state a facially plausible claim, such that a court can ‘draw the reasonable inference that the defendant is liable for the misconduct alleged.’” *Costar*, 2025 U.S. App. LEXIS 15354, at *8 (quoting *Iqbal*, 556 U.S. at 578). Because the Cartwright Act mirrors the Sherman Act, courts analyze both claims together. *See PLS.COM, Ltd. Liab. Co. v. Nat'l Ass'n of Realtors*, 32 F.4th 824, 831–32 (9th Cir. 2022).¹

At this motion to dismiss stage, LyricFind “need only make a prima facie showing of jurisdictional facts.” *Sher v. Johnson*, 911 F.2d 1357, 1361 (9th Cir. 1990). The uncontested allegations in the Complaint must be taken as true, and “conflicts between the facts contained in the parties’ affidavits must be resolved in the plaintiff’s favor.” *Covad Commc’ns Co. v. Pac. Bell*, No. C 98-1887, 1999 U.S. Dist. LEXIS 22789, at *15 (N.D. Cal. Dec. 14, 1999) (quoting *AT & T Co. v. Compagnie Bruxelles Lambert*, 94 F.3d 586, 588 (9th Cir. 1996)).

II. The Court May Exercise Specific Personal Jurisdiction over Musixmatch

A court may assert personal jurisdiction over a defendant if (1) a statute confers jurisdiction, and (2) the exercise of jurisdiction comports with constitutional due process. *Action Embroidery Corp. v. Atlantic Embroidery, Inc.*, 368 F.3d 1174, 1177 (9th Cir. 2004). Musixmatch focuses on the latter,² claiming this Court does not have personal jurisdiction over it because it is a foreign entity with no ties to California. Musixmatch is wrong.

Initially, Musixmatch’s jurisdictional analysis is too narrow; the relevant forum for LyricFind’s federal antitrust claims is the United States, not California.³ *See D’Augusta v. Am. Petro. Inst.*, 117 F.4th 1094, 1100 n.1 (9th Cir. 2024) (“We have interpreted Section 12 of the Clayton Act

¹ LyricFind incorporates by reference the arguments set forth in its Opposition to TPG Global, LLC’s Motion to Dismiss Pursuant to Fed. R. Civ. P. 12(b)(6).

² Musixmatch does not argue that there is no applicable statute to confer jurisdiction. In any event, 15 U.S.C. § 22 and Cal. Civ. Proc. Code § 410.10 provide statutory bases for personal jurisdiction.

³ Here, the distinction between the forums of the United States and California is largely immaterial, as Musixmatch has sufficient contacts with both.

1 (15 U.S.C. § 22) to grant personal jurisdiction over any corporate antitrust defendant with minimum
 2 contacts with the nation.”) (internal citation omitted); *Shields v. Fédération Internationale de*
 3 *Natation*, 419 F. Supp. 3d 1188, 1209 (N.D. Cal. 2019) (“There is no dispute that the relevant forum
 4 for the Court’s jurisdictional analysis in these antitrust actions is the United States as a whole, and not
 5 merely California.”) (citing *Go-Video, Inc. v. Akai Elec. Co.*, 885 F.2d 1406, 1415 (9th Cir. 1989);
 6 *Action Embroidery*, 368 F.3d at 1177).⁴

7 The exercise of specific personal jurisdiction over a foreign defendant like Musixmatch is
 8 warranted where: (1) the defendant “purposefully directs” its activities at the forum or a resident
 9 thereof or “purposefully avails” itself of the privilege of conducting activities in the forum; (2) the
 10 plaintiff’s claims arise out of or relate to the forum-related conduct; and (3) the exercise of
 11 jurisdiction is reasonable and comports with due process. *Briskin v. Shopify, Inc.*, 135 F.4th 739, 750–
 12 51 (9th Cir. 2025). The first prong may be satisfied by “purposeful availment, purposeful direction, or
 13 by some combination thereof.” *Id.* at 751 n.10. Under either analysis, Musixmatch is subject to
 14 specific personal jurisdiction in this Court.

15 First, as detailed below, Musixmatch purposefully directed its anticompetitive activity at the
 16 United States, which is the epicenter of the lyric services industry. Ballantyne Decl. ¶¶ 10, 15–17.
 17 The WCM lyrics business over which Musixmatch gained exclusivity is based in the United States, as
 18 are most of the DSPs who will be forced to pay Musixmatch’s supracompetitive prices. *Id.* ¶¶ 8–9,
 19 11, 15–18. The WCM representatives who are enforcing the Exclusive are also based in the United
 20

21 4 Musixmatch is subject to nationwide jurisdiction under the Clayton Act because it is an Italian
 22 Società per Azioni (S.p.A.), which is the functional equivalent of a corporation. See Mot. 5 (admitting
 23 “Musixmatch is incorporated . . . in Italy”) (emphasis added). Musixmatch is subject to nationwide
 24 jurisdiction on other grounds too. First, nationwide personal jurisdiction would be proper against
 25 Musixmatch under Rule 4(k)(2) of the Federal Rules of Civil Procedure. This is because “(1) the
 26 action arises under federal law;” (2) Musixmatch will claim it is “not subject to jurisdiction in any
 27 state’s courts of general jurisdiction”; and (3) “the court’s exercise of jurisdiction comports with due
 28 process.” *Ayla, LLC v. Ayla Skin Pty. Ltd.*, 11 F.4th 972, 978 (9th Cir. 2021). Like an analysis of
 personal jurisdiction pursuant to the Clayton Act, “[u]nder Rule 4(k)(2), the due process analysis . . .
 ‘consider[s] contacts with the nation as a whole.’” *Id.* (quoting *Holland Am. Line Inc. v. Wärtsilä N.
 Am., Inc.*, 485 F.3d 450, 462 (9th Cir. 2007)). Second, in *Fuld v. Palestine Liberation Org.*, 145 S. Ct.
 2090, 2105 (2025), the Supreme Court held that when a federal statute authorizes personal
 jurisdiction, like the Sherman Act here, the traditional *International Shoe* “minimum contacts” test
 for specific personal jurisdiction does not apply. Instead, it’s a “more flexible” standard than the
 traditional test. *Id.*

1 States and California. *Id.* ¶¶ 12–13. The Exclusive’s elimination of choice, innovation, and
 2 competitive pricing was aimed at the United States and will be borne by U.S. customers.

3 Second, Musixmatch purposefully availed itself of the benefits of the United States and
 4 California and has a strong corporate presence in each. Until this litigation began, Musixmatch’s
 5 website claimed it was located in San Francisco. Steinberg Decl. ¶¶ 6-7. Moreover, both of its co-
 6 Presidents are based in the United States, and its Board of Directors, which meets in San Francisco, is
 7 comprised of three members, two of whom are based in the United States. *Id.* ¶¶ 3–4, 10-13.

8 Third, LyricFind’s claims arise out of unlawful, anticompetitive conduct that was purposefully
 9 directed at the United States and Musixmatch’s dealings with the United States.

10 Last, exercising personal jurisdiction over Musixmatch is reasonable and would not create any
 11 undue burden or sovereignty concerns as Musixmatch suggests. The Court can also exercise pendent
 12 personal jurisdiction over the remaining state law claims.

13 **1. Musixmatch Purposefully Directed Anticompetitive Conduct at the United States and**
 14 **California.**

15 By entering the Exclusive, and regardless of the domicile of WCM’s signatory, Musixmatch
 16 “purposefully directed” its anticompetitive conduct at the United States, which is the locus of the
 17 lyric services market. “Purposeful direction” requires that Musixmatch have “(1) committed an
 18 intentional act, (2) expressly aimed at the forum [], (3) causing harm that the defendant knows is
 19 likely to be suffered in the forum[.]” *Briskin*, 135 F.4th at 751 (citing *Calder v. Jones*, 465 U.S. 783
 20 (1984)). An antitrust defendant “expressly aims” an intentional act at a forum when its allegedly
 21 anticompetitive behavior is targeted at a resident of the forum, or at the forum itself. *See In re*
Cathode Ray Tube (CRT) Antitrust Litig., 27 F. Supp. 3d 1002, 1011 (N.D. Cal. 2014) (“CRT”); *see also Soler v. City of San Diego*, 762 F. App’x 383, 385 (9th Cir. 2019) (holding personal jurisdiction
 22 can be asserted over foreign defendant if the effect of the conduct is felt in the forum even where
 23 defendant did not establish physical contact with the forum).

24 The United States is the epicenter of the lyric services market and thus the Exclusive’s
 25 primary and inextricable target. Ballantyne Decl. ¶ 10, 15–18. The “Big Three” music publishers that
 26 supply lyrics rights to LyricFind and Musixmatch (WCM, Sony, and UMPG) are each headquartered
 27 in the United States. *Id.* ¶¶ 10, 15–18. The “Big Three” music publishers that supply lyrics rights to
 28 LyricFind and Musixmatch (WCM, Sony, and UMPG) are each headquartered in the United States.
Id. ¶¶ 10, 15–18.

1 in the United States. *Id.* ¶ 6; Compl. ¶ 12. The vast majority of the major DSP customers to whom
 2 Musixmatch provides lyric services, and who are affected by the Exclusive, are also based in the
 3 United States. *Id.* ¶ 15; Steinberg Decl. ¶ 9, Ex. G. *See also* ECF No. 54 (Khullar Declaration) ¶ 15.
 4 Put simply, the United States is where LyricFind and Musixmatch primarily obtain lyric rights and
 5 service DSP customers, and thus where they compete.

6 Musixmatch thus “expressly aimed” its anticompetitive conduct at the United States by
 7 seeking to restrain competition in the U.S.-based lyric services market, including in California. *See*
 8 *Allianz Glob. Invs. GmbH v. Bank of Am. Corp.*, 457 F. Supp. 3d 401, 411 (S.D.N.Y. 2020) (holding
 9 that alleged conspiracy to “restrain competition in the purchase and sale of [currencies] in the United
 10 States and elsewhere” was sufficient to allege that the defendant’s conduct “took place in, or was
 11 directed into, the United States.”); *Nw. Aluminum Co. v. Hydro Aluminum Deutschland GmbH*, No.
 12 CIV. 02-398, 2003 U.S. Dist. LEXIS 25542, at *12 (D. Or. Sept. 23, 2003) (stating that allegations
 13 that a conspiracy was intended to affect a worldwide market and that the U.S. is a major component
 14 of that market “could suffice to demonstrate ‘express aiming’”).

15 Put another way, Musixmatch knew and intended that the Exclusive’s consequences would be
 16 felt in the United States, as that is where most DSPs and music publishers are located. *See In re W.*
 17 *States Wholesale Natural Gas Antitrust Litig.*, 715 F.3d 716, 743–44 (9th Cir. 2013) (defendants
 18 “expressly aimed” price manipulation at Wisconsin where defendants knew its consequences would
 19 be felt in that forum); *Will Co., Ltd. v. Lee*, 47 F.4th 917 (9th Cir. 2022) (Hong Kong-based defendant
 20 expressly aimed its conduct at Washington due to business decisions reflecting an “intent to cultivate
 21 an audience in the United States”).

22 Indeed, the Exclusive directly restrained the lyrics licensing business of WCM US, a
 23 California and U.S.-based company. Even if a U.K. subsidiary formally signed the Exclusive, the
 24 Exclusive covers all WCM content, including the valuable and popular content of WCM US.
 25 Ballantyne Decl. ¶ 11. The Exclusive thus intentionally restrained WCM’s U.S.-based licensing
 26 business.⁵ *See In re Packaged Seafood Prods. Antitrust Litig.*, 338 F. Supp. 3d 1118, 1158 (S.D. Cal.
 27

28 5 The Exclusive’s harm in the United States and California, as alleged, is not theoretical. WCM’s
 U.S.-based representatives already are enforcing the Exclusive, including by demanding that
 LyricFind stop providing lyric services to DSPs that are based in California. Ballantyne Decl. ¶ 13.

1 2018) (finding personal jurisdiction where price-fixing would cause foreseeable harm in the U.S.);
 2 *Electrograph Sys., Inc. v. Epson Imaging Devices Corp. (In re TFT-LCD (Flat Panel) Antitrust*
 3 *Litig.*), No. M 07-1827, 2012 U.S. Dist. LEXIS 12063, at *39 (N.D. Cal. Feb. 1, 2012) (holding that
 4 defendant’s goal of affecting pricing to Dell, an American company, constituted purposeful
 5 direction). That the Exclusive also has a global impact does not negate that it was targeted at the
 6 United States. *See Shields*, 419 F. Supp. 3d at 1209–10; *Yahoo! Inc. v. La Ligue Contre Le Racisme et*
 7 *L’antisemitisme*, 433 F.3d 1199, 1207 (9th Cir. 2006) (conduct need not be aimed solely at the U.S.
 8 so long as the U.S. is within the targeted region).

9 Furthermore, the Exclusive’s anticompetitive effects—higher prices and reduced choice—will
 10 be borne by DSP customers who overwhelmingly are located in the United States. This alone
 11 demonstrates “express aiming.” The *CRT* case is instructive. There, a Chinese company allegedly
 12 price-fixed component-parts that were later packaged into goods sold in the United States. The
 13 Chinese company was located abroad, had no U.S. property nor U.S. employees, and had few U.S.
 14 customers. *CRT*, 27 F. Supp. 3d at 1012. Nonetheless, personal jurisdiction was proper because the
 15 foreign company’s anticompetitive conduct in China “ensured United States customers paid
 16 supracompetitive prices”—just as the Exclusive does here. *Id.*

17 **2. Musixmatch Purposefully Availed Itself to this Forum.**

18 Musixmatch also purposefully availed itself of the privileges of the United States and
 19 California such that the Court may exercise personal jurisdiction. *Briskin*, 135 F.4th at 750–51.
 20 Purposeful availment requires “perform[ing] some type of affirmative conduct which allows or
 21 promotes the transaction of business within the forum state.” *Boschetto v. Hansing*, 539 F.3d 1011,
 22 1016 (9th Cir. 2008) (internal quotation omitted). The Court must look at Musixmatch’s “entire
 23 course of dealing, not solely the particular contract or tortious conduct giving rise to” LyricFind’s
 24 claims. *Glob. Commodities Trading Grp., Inc. v. Beneficio de Arroz Choloma, S.A.*, 972 F.3d 1101,
 25 1108 (9th Cir. 2020). The relevant question is whether Musixmatch “reach[ed] out beyond [Italy]” to
 26 “create continuing relationships and obligations with citizens of” the United States and California. *Id.*
 27 (citing *Burger King Corp. v. Rudzewicz*, 471 U.S. 462, 479 (1985)). Musixmatch undoubtedly did.
 28

1 Musixmatch has extensive ties and a robust corporate presence in the United States and
 2 California. Shortly before this case was filed, Musixmatch’s website claimed that it was located in
 3 San Francisco: “We’re in Bologna, London **and San Francisco.**” Steinberg Decl. ¶¶ 6–7, Exs. D–E.
 4 (emphasis added). Indeed, the first photo on Musixmatch’s “Contact” webpage was the Golden Gate
 5 Bridge. *Id.* Conspicuously, this information was recently removed.⁶ *Id.* ¶ 9, Ex. G. Both of
 6 Musixmatch’s co-Presidents, Marco Paglia and Rio Caraeff, are also based in United States, in
 7 California and Texas, respectively. *Id.* ¶¶ 3–4, Exs. A–B. Through these extensive U.S. connections,
 8 Musixmatch has availed itself to this forum’s protections; a formal office is not required. *See*
 9 *Mewawalla v. Middleman*, 601 F. Supp. 3d 574, 595 (N.D. Cal. 2022); *see also Senne v. Kansas City*
 10 *Royals Baseball Corp.*, 105 F. Supp. 3d 981, 1029–1031 (N.D. Cal. 2015) (holding that non-resident
 11 MLB teams were subject to California jurisdiction by recruiting California-based baseball players);
 12 *Alexis v. Rogers*, No. 15-cv-691, 2016 U.S. Dist. LEXIS 47031, at *35 (S.D. Cal. Feb. 26, 2016)
 13 (finding personal jurisdiction where defendant hired a single California resident to work from home).

14 Musixmatch’s conduct surrounding the Exclusive shows additional purposeful availment.
 15 Musixmatch’s co-President, Mr. Caraeff, who “oversee[s]” Musixmatch’s “legal and licensing
 16 teams,” like the ones responsible for the Exclusive, is based in the United States. Steinberg Decl.
 17 ¶¶ 4–5, Exs. B–C. Musixmatch’s Board of Directors has also met in San Francisco, including with
 18 Musixmatch’s Chief Executive Officer. *Id.* ¶ 10, Ex. H. Indeed, two of the three members of
 19 Musixmatch’s Board of Directors are based in the United States. *Id.* ¶¶ 11–13, Exs. I–K. Moreover,
 20 the main WCM employee who negotiated the Exclusive was Natalie Madaj, who is based in the U.S.
 21 *Id.* ¶ 14; Ballantyne Decl. ¶ 12. Musixmatch also worked closely with its U.S. owner, TPG, to
 22 orchestrate the Exclusive, through its San Francisco arm “TPG Growth.” Compl. ¶¶ 36, 133–137.

23 Finally, the Exclusive necessarily requires performance in the United States and California.
 24 Musixmatch must engage with U.S.- and California-based DSPs to carry out and monetize the

25 6 Musixmatch has since changed its website to remove any textual or photographic reference to San
 26 Francisco, ostensibly for the purpose of contesting personal jurisdiction in this matter. *Compare*
Contact, Musixmatch, <https://about.musixmatch.com/contact>
 27 [<https://web.archive.org/web/20240713182927/https://about.musixmatch.com/contact>] (archived Feb.
 28 24, 2024) (“We’re in . . . San Francisco.”) *with Contact*, Musixmatch,
<https://about.musixmatch.com/contact> (last visited July 10, 2025). These webpages are also attached
 as Exs. D–E to the Steinberg Decl. (pre-lawsuit in 2024) and Ex. F (current webpage).

1 exclusive rights granted to it by WCM. “[T]he future consequences . . . are the real object of the
 2 business transaction.” *Burger King*, 471 U.S. at 479 (internal citation omitted). Moreover, the WCM
 3 representatives enforcing the Exclusive—i.e., the employees and business units demanding that
 4 LyricFind cease providing WCM lyrics to DSPs—are based in the United States and California.
 5 Ballantyne Decl. ¶ 13. *Davis v. Cranfield Aerospace Sols., Ltd.*, 71 F.4th 1154, 1164 (9th Cir. 2023)
 6 is thus inapplicable; there, unlike here, the court found that the contracts did not yield future
 7 consequences in the alleged forums.⁷ Musixmatch’s relationships with U.S.-based DSPs are relevant
 8 here because, unlike in the cases Musixmatch cites,⁸ those entities are affected by the Exclusive.

9 **3. LyricFind’s Claims Stem from Musixmatch’s Forum-Related Conduct**

10 Under the second prong of the specific personal jurisdiction analysis, personal jurisdiction is
 11 proper if LyricFind’s claim “arises out of or relates to the defendant’s forum-related activities.”
 12 *Briskin*, 135 F.4th at 750–51. In particular, and under the Ninth Circuit’s “but for” test, the Court
 13 must ask if LyricFind’s injury would not have occurred but for Musixmatch’s contacts with the
 14 United States and/or California. *See Fireman’s Fund Ins. Co. v. Nat’l Bank of Coops.*, 103 F.3d 888,
 15 894 (9th Cir. 1996). That test is satisfied. Musixmatch’s purposeful direction of its anticompetitive
 16 conduct at the United States is directly related to LyricFind’s injury; thus, “but for” the Exclusive,
 17 LyricFind would still be able to compete for DSPs’ business. LyricFind meets this second prong.
 18 *Shields*, 419 F. Supp. 3d at 1210 (holding that “but for” defendant’s anticompetitive conduct, the
 19 harm would not have occurred).⁹

20 7 The Exclusive is different than the contracts in the cases cited by Musixmatch, as the Exclusive
 21 directly implicates the United States, whereas those contracts did not implicate the relevant forum. In
 22 *Doe v. Unocal Corp.*, 248 F.3d 915, 924 (9th Cir. 2001), the contract at issue concerned oil pipelines
 23 in Burma with oil being sent to Thailand and Burma, not the U.S. In *Davis*, 71 F.4th at 1164, the
 24 purpose of the contract was to obtain certification from European aviation authorities and the
 Washington, D.C.-based FAA; there was no intended consequence or nexus with Idaho. The
 defendant in *O. S. C. Corp. v. Toshiba Am., Inc.*, 491 F.2d 1064, 1065 (9th Cir. 1974), unlike
 Musixmatch, did not engage in any post-contract conduct in the United States as a result of the
 contract. In that case, a Japanese defendant sold electronic calculators to its co-defendant, who then
 sold the products in the United States.

25 8 *Azzarello v. Navagility*, No. C-08-2371, 2008 U.S. Dist. LEXIS 117119, at *12 (N.D. Cal. Oct. 16,
 26 2008); *Software Servs. v. Cyberbest Tech., Inc.*, No. C-13-04217, 2014 U.S. Dist. LEXIS 93465, at *7
 (N.D. Cal. July 9, 2014).

27 9 Each of the cases cited by Musixmatch are distinguishable because the alleged forum-related
 28 conduct did not relate to the underlying claims. *AboveGEM, Inc. v. Organo Gold Mgmt., Ltd.*, No. 19-
 CV-04789, 2020 U.S. Dist. LEXIS 56328, at *7 (N.D. Cal. Mar. 31, 2020) (defendant’s conduct and

1 **4. Exercising Jurisdiction Over Musixmatch Is Fair and Reasonable.**

2 Under the third prong of the personal jurisdiction test, Musixmatch carries the burden of
 3 presenting “compelling” reasons why exercising personal jurisdiction over it would be unfair and
 4 unreasonable. *Briskin*, 135 F.4th at 751. Musixmatch has not done so. Exercising personal
 5 jurisdiction over Musixmatch is fair and reasonable under the seven-factor *Briskin* test and “does not
 6 offend ‘traditional notions of fair play and substantial justice.’” *Calder v. Jones*, 465 U.S. 783, 788
 7 (1984) (quoting *Int'l Shoe Co. v. Washington*, 326 U.S. 310, 316 (1945)).

8 Musixmatch’s claim that it has not “purposefully interjected” itself into United States is belied
 9 by its purposeful direction, as described above. *Briskin*, 135 F.4th at 761. Musixmatch also fails to
 10 support its conclusory assertion that it would be unduly burdened by defending this action in the
 11 United States. Mot. 11. Musixmatch is a sophisticated global company. Its owner, both co-Presidents,
 12 two-thirds of its board, and most of its major customers all reside in the United States. Furthermore,
 13 courts have long recognized that technological progress has diminished concerns arising from the
 14 burden of foreign litigation. *World-Wide Volkswagen Corp. v. Woodson*, 444 U.S. 286, 294 (1980).

15 Musixmatch is also wrong that exercising personal jurisdiction would raise sovereignty
 16 concerns. Mot. 10-11. Musixmatch does not point to any “conflict” with Italian or UK law. See
 17 *AirWair Int'l Ltd. v. Schultz*, 73 F. Supp. 3d 1225, 1240 (N.D. Cal. 2014) (“[T]his factor is ‘by no
 18 means controlling’, otherwise ‘it would always prevent suit against a foreign national in a United
 19 States court.’”) (internal citation omitted).

20 Moreover, the United States has a strong interest in adjudicating Musixmatch’s conduct, as it
 21 restrains U.S.-centric competition. *Shields*, 419 F. Supp. 3d at 1212 (“[I]t is beyond dispute that the
 22 United States has a strong interest in enforcing the antitrust policies underlying the Sherman Act”).
 23 Neither California’s nor the United States’ public policy interests in ensuring compliance with safety
 24 standards are implicated here, rendering *Asahi Metal Indus. Co. v. Superior Ct. of California, Solano*
 25 *Cnty.*, 480 U.S. 102, 114 (1987) and *Davis*, 71 F.4th at 1166, inapplicable. Finally, even assuming

26 forum contacts before settlement agreement were not related to breach of settlement agreement);
 27 *Ocean SW, Inc. v. Canam Pet Treats, Inc.*, 2015 U.S. Dist. LEXIS 60839, at *8 (S.D. Cal. May 7,
 28 2015) (allegations of forum-related marketing and sales of pet-treat products by defendant were
 irrelevant to debt repayment claims).

1 *arguendo* that this case could be brought in England or Italy, “the availability of those alternative fora
 2 does not outweigh the other factors showing that jurisdiction in California is not unfair.” *Briskin*, 135
 3 F.4th at 761; *cf. Fields v. Sedgwick Associated Risks, Ltd.*, 796 F.2d 299, 303 (9th Cir. 1986) (finding
 4 England to be alternative forum where plaintiff, unlike LyricFind, was from the proposed alternative
 5 forum and all of the seven *Briskin* factors weighed against exercising personal jurisdiction).

6 **5. The Court Has Pendent Personal Jurisdiction Over the State Law Claims.**

7 The Court may also exercise pendent personal jurisdiction over Musixmatch with respect to
 8 LyricFind’s state law claims for which there is not nationwide personal jurisdiction. *See Action*
 9 *Embroidery*, 368 F.3d at 1180–81. LyricFind’s federal and state claims—for unfair competition,
 10 interference with prospective economic advantage, and breach of contract—arise out of the same
 11 nucleus of operative facts such that pendent personal jurisdiction is appropriate. *See In re Packaged*
 12 *Seafood Prods.*, 338 F. Supp. 3d at 1173.

13 **6. Alternatively, LyricFind is Entitled to Jurisdictional Discovery**

14 In the alternative, to the extent the foregoing does not dispository resolve the personal
 15 jurisdiction portion of Musixmatch’s Motion in LyricFind’s favor, LyricFind respectfully requests
 16 jurisdictional discovery to test Musixmatch’s jurisdictional assertions.¹⁰

17 **III. LyricFind Has Antitrust Standing and Suffered Antitrust Injury**

18 LyricFind “clearly has standing” and antitrust injury based on “the conduct of rival(s) that . . .
 19 tends to exclude [it] from the market, thus leading to reduced output and higher prices.” *See* Phillip E.
 20 Areeda and Herbert Hovenkamp, 2 Antitrust Law ¶ 348 (4th ed. 2024); *Amarel v. Connell*, 102 F.3d
 21 1494, 1509 (9th Cir. 1996) (“[A] competitor of an alleged attempted monopolist had standing where
 22 it was either driven out of business or suffered reduced profits because of the alleged anticompetitive
 23 acts of the attempted monopolist.”) (citing cases).

24
 25
 26 ¹⁰ *Orchid Biosciences, Inc. v. St. Louis Univ.*, 198 F.R.D. 670, 673 (S.D. Cal. 2001) (“Discovery
 should be denied only where ‘it is clear that further discovery would not demonstrate facts sufficient
 to constitute a basis for jurisdiction.’”); *Boschetto v. Hansing*, 539 F.3d 1011, 1020 (9th Cir. 2008);
 Harris Rutsky & Co. Ins. Services, Inc. v. Bell & Clements Ltd., 328 F.3d 1122, 1135 (9th Cir. 2003)
 (holding it was an abuse of discretion to deny jurisdictional discovery that “might well demonstrate”
 jurisdictionally relevant facts).

1 Antitrust injury consists of four elements: “(1) unlawful conduct, (2) causing an injury to the
 2 plaintiff, (3) that flows from that which makes the conduct unlawful, and (4) that is of the type the
 3 antitrust laws were intended to prevent.” *Am. Ad Mgmt., Inc. v. Gen. Tel. Co. of Cal.*, 190 F.3d 1051,
 4 1055 (9th Cir. 1999). A plaintiff harmed by a rival’s conduct suffers antitrust injury when its injury
 5 flows from the aspects of the rival’s conduct that harm *competition*, as opposed to procompetitive
 6 conduct that harms just LyricFind. *See Areeda*, ¶ 348 (“[A] “rival’s loss is compensable [as antitrust
 7 injury] when it results from conduct that, if successful, would have caused the type of market damage
 8 the antitrust laws seek to prevent.””).

9 By ensuring that no other lyric service provider can compete for DSPs’ business, Musixmatch
 10 has harmed competition in several ways that give rise to antitrust injury. Musixmatch has: (1) driven
 11 LyricFind and other competitors from the market, Compl. ¶¶ 23–26, 134, 140, 146, 153–54, 167–
 12 168, 171; (2) imposed drastic and immediate price increases on DSP consumers, *id.* ¶¶ 24–25, 108,
 13 133, 136, 169; (3) limited the selection of lyric services available to DSPs, *id.* ¶¶ 26, 134–36, 140,
 14 152–54, 168, 172–73; (4) erected barriers to new market entrants, *id.* ¶¶ 159–161, 164–65; and (5)
 15 decreased the quality of lyrics services in the market, *id.* ¶¶ 99–100. *See PLS.COM, Ltd. Liab. Co.*, 32
 16 F.4th at 840 (finding antitrust injury where rivals prevented plaintiff from “gaining a foothold in the
 17 market and ma[de] it virtually impossible for new competitors to enter, leaving [customers] with
 18 fewer choices, supracompetitive prices, and lower quality products.”).

19 Because the Exclusive caused both this competitive harm and LyricFind’s injuries,
 20 LyricFind’s injury flows from that which makes Musixmatch’s conduct unlawful, establishing
 21 antitrust injury. *See CollegeNET, Inc. v. The Common Application, Inc.*, 711 F. App’x 405, 407 (9th
 22 Cir. 2017) (holding a competitor “may assert antitrust injury from coercive activity that prevents
 23 consumers from making free choices between market alternatives as well as restraints that artificially
 24 erect barriers to market entry”) (cleaned up) (citing *Glen Holly Ent., Inc. v. Tektronix, Inc.*, 352 F.3d
 25 367, 374–75 (9th Cir. 2003)).

26 Citing *Lucas Auto. Engineering, Inc. v. Bridgestone/Firestone, Inc.*, 140 F.3d 1228, 1233 (9th
 27 Cir. 1998), Musixmatch argues that LyricFind lacks antitrust injury because LyricFind “would have
 28 suffered the same” lost business from lawful behavior, like a unilateral termination of its licensing

1 rights. Mot. 17. But the Ninth Circuit has held that *Lucas Auto* bars antitrust injury only where lost
 2 profits were caused by conduct that is beneficial or neutral to competition—like a competitive
 3 bidding process—not from a rival’s anticompetitive efforts to restrain a plaintiff’s business by
 4 locking up key inputs. See *Glen Holly*, 352 F.3d at 377 (limiting *Lucas Auto* and the other
 5 “*Brunswick* line of cases” to situations where injury was “caused by *increased* competition” and
 6 finding antitrust injury where rival and supplier conspired to restrict inputs to a competitor) (emphasis
 7 in original).

8 In *Lucas Auto*, a tire distributor lost a bid to its rival to become the exclusive distributor for a
 9 tire brand. 140 F.3d at 1231. The Ninth Circuit held the plaintiff’s lost bid did not establish antitrust
 10 injury, even if the winning bidder were a monopolist, because the lost bid did not stem from
 11 anticompetitive conduct and would have occurred if the winner were a non-monopolist. *Id.* at 1233.

12 *Lucas Auto* does not apply to the scheme Defendants used here, where a seller gains exclusive
 13 control of key inputs to drive its competitors from the market. See *Glen Holly*, 352 F.3d at 377
 14 (holding *Lucas Auto* inapplicable where seller and supplier conspired to restrict film editing
 15 equipment to rival seller); *Retrophin, Inc. v. Questcor Pharms., Inc.*, 41 F. Supp. 3d 906, 913–14
 16 (C.D. Cal. 2014) (upholding antitrust injury and finding *Lucas Auto* inapplicable where a drug
 17 manufacturer purchased the exclusive right to drug ingredients to stop the plaintiff from developing a
 18 competing drug); *Orchard Supply Hardware LLC v. Home Depot USA, Inc.*, 967 F. Supp. 2d 1347,
 19 1359–60 (N.D. Cal. 2013) (finding antitrust injury properly alleged where Home Depot acquired the
 20 exclusive rights to sell tool brands that the plaintiff, a rival retailer, needed to effectively compete);
 21 *MLW Media LLC v. World Wrestling Ent., Inc.*, 2023 U.S. Dist. LEXIS 104499, at *6, *20–21 (N.D.
 22 Cal. 2023) (upholding allegations of antitrust injury where pro-wrestling promoter acquired exclusive
 23 right to work with performers and venues, denying access to rival).

24 Musixmatch’s foreclosure of competition through the Exclusive gives rise to antitrust injury
 25 and bears no resemblance to the lost bid in *Lucas Auto*. LyricFind’s injuries were not caused by
 26 procompetitive or competitively neutral conduct like a bidding process, but rather from a deliberate,
 27 anticompetitive scheme to ensure no other lyric services company could compete. Under such
 28 circumstances, LyricFind’s antitrust injury is “clear and seldom challenged,” as it stems directly from

1 Defendants' efforts to restrain competition. Areeda ¶ 348 ("Standing is clear and seldom challenged
 2 when the plaintiff alleges that its rival engaged in an exclusionary practice designed to rid the market
 3 of the plaintiff, to preclude its entry or raise its costs, so that the defendant could maintain or create a
 4 monopoly.").

5 **IV. Musixmatch's Exclusivity Arrangement Unlawfully Restraints Trade**

6 Musixmatch's exclusivity arrangement with WCM is analyzed under the "rule of reason" for
 7 purposes of Sections 1 and 2 of the Sherman Act. *Costar*, 2025 U.S. App. LEXIS 15354, at *9; *Epic*
 8 *Games, Inc. v. Apple, Inc.*, 67 F.4th 946, 998 (9th Cir. 2023) *cert. denied*, 144 S. Ct. 682 (2024)
 9 ("The anticompetitive-conduct requirement of § 2 is essentially the same as the Rule of Reason
 10 inquiry applicable to § 1 claims.") (cleaned up). An exclusive arrangement violates the rule of reason
 11 when it "forecloses competition in a substantial share of the relevant market." *Costar*, 2025 U.S. App.
 12 LEXIS 15354, at *10. Because Musixmatch has monopoly power, "any exclusive agreements [it]
 13 entered substantially foreclosed competition" presumptively without the need for further analysis. *Id.*
 14 at *9, *12 (finding substantial foreclosure where defendant "entered exclusive agreements while
 15 holding monopoly power").

16 Exclusivity arrangements, like the Exclusive here, violate the antitrust laws when used by a
 17 seller to lock up key inputs that its rivals need to compete, as this forecloses rivals from the market,
 18 freeing the seller to charge supracompetitive prices. *See id.* at *12 (condemning exclusivity
 19 agreements where they "exclude competitors from so much of the market that they cannot gain a
 20 solid foothold to compete," allowing the defendant to charge supracompetitive prices); *see also*
 21 Thomas Krattenmaker & Steven Salop, *Anticompetitive Exclusion: Raising Rivals' Costs to Achieve*
 22 *Power Over Price*, 96 Yale L.J. 209, 224 (1986) ("[A] firm may gain the ability to raise price by
 23 contracting with input suppliers for the suppliers' agreements not to deal with the purchasing firm's
 24 competitors . . . restraining the supply of inputs available to rivals [can give] the purchaser power to
 25 raise prices in its output market.").

26 Courts in this Circuit overwhelmingly uphold Section 1 and 2 claims where a seller or
 27 distributor gains exclusive control over an input to foreclose its rivals from competing, as Defendants
 28 have done here. *See, e.g.*, *Costar*, 2025 U.S. App. LEXIS 15354, at *33–34 (reversing district court

1 and upholding §§1 and 2 claims where online distributor of real estate listings used exclusive
 2 agreements with listing suppliers to deny listings to rivals); *Complete Ent. Res. LLC v. Live Nation*
 3 *Ent., Inc.*, No. 15-cv-9814, 2017 U.S. Dist. LEXIS 183213, at *5 (C.D. Cal. Oct. 16, 2017)
 4 (upholding claims against Ticketmaster for exclusive agreements with concert venues that prevented
 5 rival ticket sellers from accessing venues); *Orchard Supply Hardware*, 967 F. Supp. 2d at 1360
 6 (upholding claims against Home Depot for exclusive agreement with tool brands that cut off rival
 7 retailers’ supply); *Retrophin*, 41 F. Supp. 3d at 918 (upholding claims against drug maker for
 8 exclusive agreement with supplier that cut off rival’s access to pharmaceutical ingredients); *Twin City*
 9 *Sportservice, Inc. v. Charles O. Finley & Co.*, 676 F.2d 1291, 1309 (9th Cir. 1982) (same for food
 10 vendor’s exclusive agreements with stadiums); *Syufy Enters. v. Am. Multicinema, Inc.*, 793 F.2d 990,
 11 993 (9th Cir. 1983) (same for movie theatres’ exclusive agreements with motion picture suppliers);
 12 *Pac. Steel Grp. v. Com. Metals Co.*, 600 F. Supp. 3d 1056, 1075 (N.D. Cal. 2022) (same for rebar
 13 manufacturers’ exclusive agreement with supplier of manufacturing technology).

14 Musixmatch’s Exclusive follows the same playbook and should be condemned for the same
 15 reasons. Musixmatch paid WCM to cut off its rivals from distributing lyric data and licenses for
 16 WCM titles, not for any procompetitive reason, but to substantially foreclose the competition that
 17 threatened Musixmatch’s monopoly. Compl. ¶¶ 134–37, 142. Contrary to what Musixmatch argues,
 18 its exclusivity is sufficiently durable, and forecloses a sufficient share of the relevant markets, to
 19 violate Sections 1 and 2 of the Sherman Act and the Cartwright Act.

20 1. Musixmatch’s Exclusivity is Sufficiently Durable

21 Musixmatch argues that LyricFind inadequately alleged substantial foreclosure by failing to
 22 allege the Exclusive’s end date, Mot. 19–20, a detail Musixmatch has yet to disclose. Compl. ¶ 138
 23 (noting Musixmatch has not disclosed “the specific terms” of the Exclusive). This argument is at odds
 24 with Ninth Circuit precedent and ignores LyricFind’s allegations, which plausibly allege that
 25 substantial foreclosure will occur, and has occurred, regardless of the Exclusive’s formal end date. *Id.*
 26 ¶¶ 147, 166–68, (alleging the Exclusive “forecloses virtually all current and potential business” and
 27 “future competition,” “mak[ing] it near-impossible for anyone but Musixmatch to compete for new
 28 contracts, or maintain their existing contracts long-term”).

1 Musixmatch’s argument is doomed from the start: the Ninth Circuit does not require that any
 2 express term of exclusivity *exist*, much less be alleged in the Complaint. The Ninth Circuit recently
 3 rejected such a requirement in *Costar*, holding that “de facto” exclusivity can exist despite no express
 4 term of exclusivity or where formal exclusivity is “short-term and voluntary.” *See Costar*, 2025 U.S.
 5 App. LEXIS 15354, at *26–30 (citing *McWane, Inc. v. Fed Trade Comm’n*, 783 F.3d 814, 819–20,
 6 833–35 (11th Cir. 2015)). In rejecting “formalistic” exclusivity analysis, the Ninth Circuit directed
 7 courts to assess exclusive arrangements based on practical indicia and not express terms alone.
 8 *Costar*, 2025 U.S. App. LEXIS 15354, at *30. *Costar* singlehandedly defeats Musixmatch’s
 9 argument, as no formal length of exclusivity need exist, let alone be alleged at the pleading stage,
 10 under binding Ninth Circuit precedent.

11 *Costar* also disposes of Musixmatch’s argument for another reason: substantial foreclosure is
 12 inferred when a defendant plausibly has monopoly power, as Musixmatch does here. *Id.* at *13.
 13 Pleading “monopoly power . . . is sufficient to allege the substantial foreclosure element of exclusive
 14 dealing.” *Id.* As in *Costar*, Musixmatch’s monopoly power, as detailed below (*infra* § V) and in the
 15 Complaint (Compl. ¶¶ 155–65), obviates the need for a detailed analysis and is sufficient to show
 16 substantial foreclosure.

17 Indeed, even before *Costar*, LyricFind was not required to plead the specific duration of
 18 exclusivity to show substantial foreclosure. *See, e.g., Cung Le v. Zuffa, LLC*, 216 F. Supp. 3d 1154,
 19 1167 (D. Nev. 2016) (denying motion to dismiss despite failure to show “duration of exclusivity”); *In*
 20 *re Copaxone Antitrust Litig.*, No. 2:22-cv-1232, 2025 U.S. Dist. LEXIS 77193, at *39 (D.N.J. Feb.
 21 27, 2025) (denying motion to dismiss and rejecting argument that substantial foreclosure requires
 22 allegations of long duration and non-terminability). At the pleading stage, when “exact information
 23 [regarding the duration of an exclusive agreement] is within Defendants’ exclusive control, dismissal
 24 is not appropriate.” *Am. Spirit & Cheer Essentials Inc. v. Varsity Brands, LLC*, No. 2:20-cv-02782,
 25 2022 U.S. Dist. LEXIS 254674, at *50–51 (W.D. Tenn. Mar. 30, 2022).

26 Under the more practical standard that applies, substantial foreclosure depends on *several*
 27 factors and market realities; the duration of an agreement, even when short-term, is not dispositive.
 28 *See Tevra Brands LLC v. Bayer Healthcare LLC*, No. 19-cv-04312, 2024 U.S. Dist. LEXIS 79934, at

1 *20–27 (N.D. Cal. 2024) (denying summary judgment, despite exclusives’ short term, where
 2 exclusivity was reenforced by other “realities in the marketplace”); *ZF Meritor, LLC v. Eaton Corp.*,
 3 696 F.3d 254, 287 (3d Cir. 2012) (affirming jury verdict for plaintiff despite easy terminability of
 4 exclusive, where the parties “had a strong economic incentive to adhere to the terms of the [exclusive
 5 agreement], and therefore were not free to walk away . . . ”) (quoting *United States v. Dentsply Int’l,
 6 Inc.*, 399 F.3d 181, 194 (3d Cir. 2005)), *cert denied* 133 S. Ct. 2025 (2013)); *Fed Trade Comm’n v.
 7 Surescripts, LLC*, 424 F. Supp. 3d 92, 104 (D.D.C. 2020) (upholding antitrust claims where
 8 exclusives were “short term and easily terminable” where “the nature of the two relevant markets and
 9 [defendant’s] dominant monopoly position, had the effect of foreclosing large parts of both
 10 markets”).

11 Judged against this proper standard, which the Ninth Circuit further liberalized in *Costar*,
 12 LyricFind adequately alleges that Musixmatch’s exclusivity is durable and will substantially foreclose
 13 competition. In addition to Musixmatch’s monopoly power (which alone is sufficient), its exclusivity
 14 has never been subject to bidding: the Exclusive was an unprecedented scheme that Defendants
 15 plotted behind closed doors, for which LyricFind never had a chance to compete (nor did anyone
 16 else). Compl. ¶ 138. See *Pro Search Plus*, 2013 U.S. Dist. LEXIS 169856, at *17 (sustaining
 17 allegations of substantial foreclosure where defendant with market power entered contracts that “are
 18 continually renewed and not open to rebidding”). By contrast, the exclusive agreements in *Paddock
 19 Publishers v. Chicago Tribune Co.* were commonplace and subject to rebidding, and the newspapers
 20 with exclusivity were not alleged to have monopoly power. 103 F.3d 42, 44 (7th Cir. 1996).¹¹

21
 22 11 Defendants’ remaining cases related to substantial foreclosure are inapposite. In *Church & Dwight
 23 Co. v. Mayer Lab’ys, Inc.*, the court upheld claims under Section 1 and Section 2 of the Sherman Act
 24 because there, as here, the exclusive agreements were part of defendant’s overarching scheme to
 25 restrain trade. No. C-10-4429, 2011 U.S. Dist. LEXIS 35969, at *53 (N.D. Cal. Apr. 1, 2011). In *W.
 26 Parcel Express v. United Parcel Service of Am., Inc.*, the court granted summary judgment after
 27 discovery revealed the contracts at issue were not expressly or de facto exclusive and thus had not
 28 foreclosed competition. 65 F. Supp. 2d 1052, 1065 (N.D. Cal. 1998), *aff’d*, 190 F.3d 974 (9th Cir.
 1999). And in *Barry Wright Corp. v. Pac. Sci. Corp.*, the District Court made similar findings of fact,
 including that the underlying contracts provided the buyer with flexibility to source from defendant’s
 competitors. 724 F.2d 227, 238 (1st Cir. 1983). By contrast, the Exclusive here already has caused
 LyricFind to lose DSP contracts to Musixmatch, demonstrating substantial foreclosure and monopoly
 power through direct evidence, even before discovery. Compl. ¶¶ 133–34, 149–52, 169. See *Costar*,
 2025 U.S. App. LEXIS 15354, at *22.

Musixmatch's competitive foreclosure is furthered by its multi-year agreements with DSPs, Compl. ¶ 95, and the high costs and technical integration required for DSPs to switch between providers. *Id.* ¶¶ 68–69, 95, 106, 159, 163. These long contracts and high switching costs effectively lock in the Exclusive regardless of its formal end date; LyricFind will have to wait years for Musixmatch's DSP contracts to expire before it has another chance to compete.¹² See *CollegeNet, Inc. v. Common Application, Inc.*, 355 F. Supp. 3d 926, 953 (D. Or. 2018) (denying motion to dismiss where “high switching” meant that “parties are unlikely to terminate” their agreements); *see also Pro Search Plus, LLC v. VFM Leonardo, Inc.*, No. SACV 12-2102, 2013 U.S. Dist. LEXIS 169856, at *18 (C.D. Cal. Dec. 2, 2013) (denying motion to dismiss where “cost of switching” distributors was “prohibitive”). *Contrast PNY Techs., Inc. v. SanDisk Corp.*, No. 11-CV-04689, 2014 U.S. Dist. LEXIS 58108, at *4 (N.D. Cal. Apr. 25, 2014) (finding no substantial foreclosure where plaintiff made no allegations regarding switching costs or entry barriers) *with* Compl. ¶¶ 68–69, 95, 106, 159, 163. LyricFind has adequately alleged that Defendants' competitive foreclosure will be durable.

2. Musixmatch Has Foreclosed a Substantial Share of the Relevant Markets

Defendants have also foreclosed a sufficient *share* of the relevant markets. An exclusive agreement forecloses a substantial share of the market when it “exclude[s] competitors from so much of the market they cannot gain a solid foothold to compete.” *Costar*, 2025 U.S. App. LEXIS 15354, at *12 (citing *Allied Orthopedic Appliances Inc. v. Tyco Health Care Grp. LP*, 592 F.3d 991, 996 (9th Cir. 2010)). There is no “set percentage for how much of the relevant market must be foreclosed.” *See Tevra Brands, LLC v. Elanco Animal Health Inc.*, No. 24-cv-04683, 2025 U.S. Dist. LEXIS 61641, at *37 (N.D. Cal. Mar. 31, 2025) (quoting *Masimo Corp. v. Tyco Health Care Grp., L.P.*, No. CV-02-4770, 2006 U.S. Dist. LEXIS 29977, at *4 (C.D. Cal. Mar. 22, 2006)). Generally, however, substantial foreclosure exists where a defendant forecloses or controls more than 40% of the relevant market.¹³ See *Theme Promotions, Inc. v. News Am. Mktg. FSI*, 546 F.3d 991, 1002–03 (9th Cir. 2008)

¹² This is not a situation where LyricFind can simply “wait for the contracts to expire or make alluring offers to initiate termination” due to high switching costs. *See Mot. 19* (citing *In re EpiPen (Epinephrine Injection, USP) Mktg., Sales Pracs. & Antitrust Litig.*, 44 F.4th 959, 988 (10th Cir. 2022)).

¹³ *Accord Mot. 21* (citing *Nicolosi Distrib., Inc. v. FinishMaster, Inc.*, No. 18-cv-03587, 2018 U.S. Dist. LEXIS 173788, at *12 (N.D. Cal. Oct. 9, 2018); *McWane*, 783 F.3d at 837; *United States v.*

1 (40-60% sufficient); *Twin City Sportservice, Inc.*, 676 F.2d at 1301, 1304 (24% foreclosure unlawful
2 where contracts were long-term).

3 One bright-line rule does exist: any exclusivity arrangement entered by a monopolist is
4 presumed to substantially foreclose competition in the monopolized market. *Costar*, 2025 U.S. App.
5 LEXIS 15354, at *12 (“[A] § 1 exclusive dealing claim requires a substantial foreclosure of
6 competition, and monopoly power establishes such a foreclosure.”). Thus, to the extent LyricFind
7 plausibly alleges that Musixmatch has monopoly power in the relevant markets (it does), LyricFind
8 also has plausibly shown that the Exclusive forecloses a substantial share of competition. *Id.*

9 LyricFind easily meets these standards. First, as discussed *infra* § V, LyricFind has plausibly
10 alleged that Musixmatch possesses monopoly power in the Lyric Data Services and Lyric Rights
11 Sublicensing markets, based on both direct evidence of its supracompetitive pricing and its dominant
12 market shares of 80% and 66%, respectively. Compl. ¶¶ 80, 84. This alone is sufficient to plausibly
13 allege that the Exclusive substantially foreclosed competition.

14 In addition, LyricFind alleges that Musixmatch has completely (not just substantially)
15 foreclosed competition in the Lyric Data Services and Lyric Rights Sublicensing markets. *Id.* ¶¶ 161,
16 168, 236. By cutting off all lyric providers other than Musixmatch from sublicensing and distributing
17 data for WCM lyrics, the Exclusive has precluded every other lyric service provider from competing
18 for DSPs’ business. *Id.* ¶ 168. As just two examples, Spotify and iHeartRadio, the two major DSPs
19 who have solicited bids since the Exclusive, were each forced to contract with Musixmatch for Lyric
20 Data Services and Lyric Rights Sublicensing at supracompetitive prices because no other providers
21 could compete. *Id.* ¶¶ 133–34, 169. Substantial foreclosure thus has already occurred. *See Tampa*
22 *Electric Co. v. Nashville Coal Co.*, 365 U.S. 320, 328 (1961) (defining substantial foreclosure as
23 where the “opportunities for other traders to enter into or remain in that market [are] significantly
24 limited”); *Orchard Supply Hardware LLC*, 967 F. Supp. 2d at 1360 (bypassing analysis of

25
26
27 *Microsoft Corp.*, 253 F.3d 34, 70 (D.C. Cir. 2001) (en banc). While Musixmatch cites *Stop & Shop*
28 *Supermarket Co. v. Blue Cross & Blue Shield of R.I.* for its 40% threshold, that case actually noted
foreclosure of 30% of the relevant market can raise competitive concerns. 373 F.3d 57, 68 (1st Cir.
2004).

1 foreclosure percentages where Home Depot’s exclusivity over certain tool brands had already
 2 “completely foreclosed previously existing competition” for tool sales).

3 To distract from its complete foreclosure of the *relevant markets*, Musixmatch tries to shift
 4 attention to a *different* market: “the portion of the *music publishing* market that WCM controls.” Mot.
 5 20–22 (emphasis added). But that is not a relevant market in which the parties compete and is not
 6 relevant to the substantial foreclosure analysis.¹⁴ Substantial foreclosure focuses on the degree of
 7 competition remaining in the relevant markets, not WCM’s market share in the upstream market for
 8 music publishing. *See Costar*, 2025 U.S. App. LEXIS 15354 (measuring substantial foreclosure based
 9 on defendant’s market power in the relevant markets); *see also Collins v. Associated Pathologists,*
 10 *Ltd.* 844 F.2d 473, 479 (7th Cir.), cert. denied, 488 U.S. 852 (1988) (“In determining whether this
 11 exclusive arrangement forecloses competition, the focus is upon competition between [competitors in
 12 the relevant markets]”). Musixmatch’s lengthy discourse on how to measure WCM’s market share in
 13 the music publishing market misses the point. Mot. at 20–23.¹⁵

14 Musixmatch is also mistaken when it compares LyricFind’s allegations to an “essential
 15 facilities” claim. Mot. 22. LyricFind is not asserting such a claim. Rather, LyricFind alleges a well-
 16 accepted dynamic in exclusivity jurisprudence: that a distributor can exploit its exclusivity over one
 17 set of inputs to foreclose competition more broadly. *See, e.g., Complete Ent. Res. LLC*, 2017 U.S.
 18 Dist. LEXIS 183213 at *6 (finding that Ticketmaster’s exclusive rights to sell presale tickets with
 19 “even a small number of [music] venues” could foreclose competition to service music venues
 20 nationwide); *Orchard Supply Hardware*, 967 F. Supp. 2d at 1360 (upholding allegations that Home
 21 Depot’s exclusivity over just two tool brands allowed it to foreclose competition in the broader retail
 22 hardware market); *In re Pool Prods. Distribution Mkt. Antitrust Litig.*, 940 F. Supp. 2d 367, 398
 23 (E.D. La. 2013) (upholding allegations that a distributor’s exclusivity over certain pool products
 24 allowed it to monopolize the broader pool product distribution market). This recurring dynamic, well-
 25 recognized by courts, does not transform LyricFind’s allegations into an essential facilities claim.

26 14 The Complaint addresses WCM’s market share in the music publishing market, Compl. ¶ 59, to
 27 explain why Musixmatch’s exclusive control over WCM titles can be exploited to foreclose
 competition in the relevant distribution and licensing markets involving DSPs. *Id.* ¶¶ 166–69.

28 15 Measuring foreclosure in the proper market, the Exclusive easily surpasses Musixmatch’s 40%
 threshold. *See supra* note 13.

1 Lastly, the small number of well-resourced DSPs that have, at times, sourced lyrics from
 2 multiple providers does not negate the fact that the Exclusive has substantially foreclosed
 3 competition. Musixmatch hypothesizes that certain major DSPs could theoretically partner with both
 4 LyricFind and Musixmatch at the same time. Mot. 23–24. But this is counterfactual: almost no DSPs
 5 dual source in the real world, a fact that Musixmatch has exploited to its own advantage. Compl. ¶ 68.
 6 Indeed, courts recognize that exclusivity arrangements are particularly prone to substantial
 7 foreclosure where practical realities dictate that customers deal with a single provider. *See Costar*,
 8 2025 U.S. App. LEXIS 15354, at *31 (“Because it is costly to maintain a dynamic database of listings
 9 on several different platforms at once, many brokers keep their listings only on [Costar’s] websites.”);
 10 *Complete Ent. Res. LLC*, , 2017 U.S. Dist. LEXIS 183213 at *6 (finding exclusive ticketing at a
 11 subset of venues could cause substantial foreclosure because “artists prefer to purchase presale ticket
 12 servicing on an entire tour basis” from a single provider); *Orchard Supply Hardware LLC*, 967 F.
 13 Supp. 2d at 1358 (finding exclusive distribution agreement totally foreclosed competition because,
 14 despite the possibility of buying tools from multiple stores, professional customers simply stopped
 15 shopping at “deficient” stores).

16 At the pleading stage, LyricFind has plausibly alleged that the Exclusive has significantly
 17 limited “the opportunities for other [lyric service providers] to enter into or remain” in the relevant
 18 markets. *Tampa Electric Co. v. Nashville Coal Co.*, 365 U.S. 320, 328 (1961); *see also Arcell v.*
 19 *Google LLC*, No. 22-cv-02499, 2024 U.S. Dist. LEXIS 45530, at *28 n.1 (C.D. Cal. Feb. 5, 2024)
 20 (holding that “a plaintiff is not necessarily required to allege a specific percentage of foreclosure” at
 21 the pleading stage) (quoting *Fed. Trade Comm’n v. Qualcomm Inc.*, No. 17-CV-00220, 2017 U.S.
 22 Dist. LEXIS 98632, at *24 (N.D. Cal. June 26, 2017)). This is sufficient to show that competition has
 23 been substantially foreclosed.

24 **3. Copyright Law Does Not Shield Musixmatch from Antitrust Liability**

25 “The antitrust laws still apply to anticompetitive conduct [that occurs] in the shadows of the
 26 Copyright Act.” *See X Corp. v. Bright Data Ltd.*, No. C 23-03698 WHA, 2025 U.S. Dist. LEXIS
 27 75033, at *18–19 (N.D. Cal. Apr. 18, 2025) (citing *Fashion Originators’ Guild of Am. v. Fed. Trade*
 28 *Comm’n*, 312 U.S. 457, 464 (1941)). “Intellectual property rights,” including copyright protections,

1 “do not confer a privilege to violate the antitrust laws.” *See United States v. Microsoft Corp.*, 253
 2 F.3d 34, 63 (D.C. Cir. 2001) (quoting *In re Indep. Serv. Orgs. Antitrust Litig.*, 203 F.3d 1322, 1325
 3 (Fed. Cir. 2000)).

4 Musixmatch cannot rebut this principle, nor does it try. Instead, Musixmatch peppers its
 5 Motion with “copyright” buzzwords to imply, without arguing, that copyright law somehow
 6 precludes antitrust enforcement. Mot. 1, 14–18, n.13.¹⁶ Stripped of this tactic, the only cognizable
 7 copyright argument Musixmatch makes is that nonparty WCM may refuse to deal with LyricFind and
 8 may appoint an exclusive licensee. Mot. 1, 17–18. But LyricFind is not suing WCM on either theory.
 9 Rather, LyricFind is suing Musixmatch and TPG for scheming to drive rival lyric companies from the
 10 market by paying WCM to cut them off—both with respect to licenses and data distribution more
 11 broadly. Whatever licensing rights WCM has as a music publisher are not relevant to, and do not
 12 excuse, Musixmatch and TPG’s scheme to foreclose competition at the lyric distribution level. *See*
 13 *Mannington Mills, Inc. v. Congoleum Industries*, 610 F.2d 1059, 1073 (3d Cir. 1979) (reversing grant
 14 of summary judgment where licensees induced a patent holder to terminate rival’s license, holding
 15 that when distributors provide the impetus for exclusivity “there is a greater risk that the restriction
 16 is” anticompetitive); *Int’l Wood Processors v. Power Dry, Inc.*, 792 F.2d 416, 429 (4th Cir. 1986)
 17 (affirming verdict against patent holder and licensees, holding, “a patentee’s termination of a license
 18 in concert with a competing licensee . . . is not entitled to an antitrust exemption”).

19 Indeed, courts in this Circuit uphold antitrust challenges to exclusivity schemes involving all
 20 sorts of copyright and patent licenses—from motion pictures to baseball telecasts—without wading
 21 into irrelevancies about intellectual property law. *See Syufy Enters.*, 793 F.2d at 993 (9th Cir. 1983)
 22 (licenses for motion pictures); *Ultronics, Inc. v. Cox Cable of San Diego, Inc.*, 1991 U.S. Dist. LEXIS
 23 9509, at *12 (S.D. Cal. 1991) (licenses for San Diego Padres baseball telecasts); *Pac. Steel Grp. v.*
 24 *Commer. Metals Co.*, 600 F. Supp. 3d 1056, 1075 (N.D. Cal. 2022) (patented “micro-mill”
 25 technology); *Pecover v. Electronics Arts Inc.*, 633 F. Supp. 2d 976, 979 (N.D. Cal. 2009) (licenses for

27 28 16 The few cases Defendants cite in passing deal with a copyright holder’s unilateral control over the
 licensing of its rights, not, as here, a scheme imposed by downstream distributor. *See* Mot. 18 n.13
 (citing *UMG Recordings, Inc. v. MP3.Com, Inc.*, 92 F. Supp. 2d 349, 352 (S.D.N.Y. 2000) and *Fed
 Trade Comm’n v. Microsoft Corp.*, 136 F.4th 954, 971 (9th Cir. 2025).

1 major sports leagues’ trademarks). Musixmatch, in contrast, does not cite a single authority
 2 suggesting that a distributor’s exclusivity scheme is immune from antitrust scrutiny simply because it
 3 involves another party’s intellectual property.

4 To the extent copyright law may be relevant to some issue in this case, which Musixmatch has
 5 not shown, such hypothetical questions would be “factually sensitive” and cannot be decided under
 6 the rule of reason at this stage. *See X Corp. v. Bright Data Ltd.*, 2025 U.S. Dist. LEXIS 75033, at *19
 7 (holding that if “copyright-related concerns come into play at all . . . those concerns will be factually
 8 sensitive, and under the rule of reason we cannot now decide they overtake or outweigh the alleged
 9 harms to competitions”).

10 **V. Musixmatch Has Monopoly and Market Power in the Relevant Markets**

11 **1. LyricFind Has Properly Defined the Relevant Markets**

12 LyricFind alleges two relevant markets: one for the technical infrastructure DSPs need to
 13 display lyrics on streaming platform and allocate royalties (Lyric Data Services), and one for the
 14 licenses that DSPs need to display lyrics from a legal perspective (Lyric Rights Licensing). Compl. ¶¶
 15 76–87. There is also a distinct submarket for Lyric Rights Sublicensing given that direct licenses from
 16 music publishers often are not practically available.

17 These market definitions reflect “a factual inquiry into [] commercial realities,” *id.* (citing
 18 *Eastman Kodak Co. v. Image Tech. Servs.*, 504 U.S. 451, 482 (1992)), which depend “upon the
 19 special characteristics of the industry involved.” *Twin City Sportservice, Inc.*, 676 F.2d at 1299.
 20 “Allegations of a relevant market and market power generally pass the test at the pleading stage
 21 unless the market definition is ‘facially unsustainable.’” *Biddle v. Walt Disney Co.*, 696 F. Supp. 3d
 22 865, 882 (N.D. Cal. 2023) (citing *Newcal Indus., Inc. v. Ikon Off. Sol.*, 513 F.3d 1038, 1045 (9th Cir.
 23 2008)).

24 Contrary to Musixmatch’s assertions, Mot. 25–26, LyricFind properly defines the bounds of
 25 the relevant markets by identifying “the reasonable interchangeability of use or the cross-elasticity of
 26 demand” for both Lyric Data Services and Lyric Rights Licensing. *See Newcal*, 513 F.3d at 1045
 27 (quoting *Brown Shoe v. United States*, 370 U.S. 294, 325 (1962)).

The interchangeable services within the Lyric Data Services Market are the distribution of “data files that contain the actual text of lyrical transcriptions,” “data to synchronize the transcriptions to sound recordings,” and “usage data to determine the appropriate royalties due to each rights holder.” Compl. ¶ 85; *see also id.* ¶ 2. These services are reasonably interchangeable because DSPs “expect a single provider to fulfill them” together. *Id.* ¶¶ 86–87. Other services are not interchangeable with Lyric Data Services because they would not provide the “technical infrastructure required” for DSPs to display lyrics and allocate royalties. *Id.* Purchasers of Lyric Data Services thus would not “substitute to a different service” in the event of a price increase. *Id.* ¶ 87.

9 The services in the Lyric Rights Licensing Market that are reasonably interchangeable are the
10 licensing of “lyric rights owned by major music publishers and other rights holders.” *Id.* ¶ 77. This
11 licensing is not interchangeable with other services because DSPs need the legal right to display
12 lyrics, and only Lyric Rights Licensing provides that right. *Id.* ¶¶ 2, 14, 62. Lyric Rights Licensing is
13 distinct from Lyric Data Services because they fill different needs (legal vs. technical) and can be
14 obtained separately from different providers. *Id.* ¶¶ 65, 78.

15 These market definitions reflect basic logic and common industry knowledge—a far cry from
16 the convoluted or poorly pled market definitions that have been dismissed (on rare occasion) at the
17 pleading stage in other cases.¹⁷ Indeed, Musixmatch does not meaningfully contest these market
18 definitions, much less show they are facially implausible as would be necessary to dismiss them at
19 this stage. See *Gamboa v. Apple Inc.*, No. 24-cv-01270-EKL, 2025 U.S. Dist. LEXIS 114715, at *5
20 (N.D. Cal. June 16, 2025) (denying motion to dismiss and noting “it would be premature at this stage

24 17 NSS Labs, Inc. v. Symantec Corp., No. 18-cv-05711, 2019 U.S. Dist. LEXIS 136742, at *28–29
25 (N.D. Cal. Aug. 13, 2019) (dismissing complaint that failed to “plead any facts regarding the cross-
26 elasticity of demand between the Relevant Product Markets and their substitutes”); *Total Renal Care*
27 *Inc. v. W. Nephrology Metabolic Bone Disease, P.C.*, No. 08-cv-00513, 2009 U.S. Dist. LEXIS
28 80821, at *25 (D. Colo. Aug. 21, 2009) (dismissing complaint that contained “no reference – in name
or in substance – to product interchangeability or cross-elasticity”); *Reudy v. Clear Channel*
Outdoors, Inc., 693 F. Supp. 2d 1091, 1127 (N.D. Cal. 2007) (dismissing complaint that alleged
alternative markets in “vague and conclusory” terms); *Honey Bum, LLC v. Fashion Nova, Inc.* did.
No. 20-cv-11233, 2021 U.S. Dist. LEXIS 182308, at *16 (C.D. Cal. Mar. 26, 2021) (rejecting market
that “arbitrarily omit[ted] interchangeable competing products”).

1 to conclude that Plaintiffs' proposed market is 'facially unsustainable' because it excludes" a
 2 hypothetical substitute).¹⁸

3 Musixmatch's main critique of LyricFind's market definitions is that DSPs could use "other
 4 transcription or royalty administration solutions" or "artificial intelligence"—purportedly as
 5 alternatives to Lyric Data Services. Mot. 26. But the Lyric Data Services Market already
 6 encompasses these solutions to the extent they exist. These "other" transcription and royalty solutions
 7 would fall *within* the Lyric Data Services market so long as they provide DSPs with lyric data,
 8 synchronization data, and usage data to display lyrics and royalties. Compl. ¶¶ 83–85. Musixmatch's
 9 purported alternatives would be encompassed in the Lyric Data Services Market.

10 Musixmatch's other argument is that there is no distinct submarket for Lyric Rights
 11 Sublicensing because lyric licenses and sublicense confer the same rights. Mot. 26. That misses the
 12 point. While the rights are the same, lyric licenses and sublicenses are usually not both available to
 13 DSP customers and thus not reasonably interchangeable. DSPs often cannot practically obtain direct
 14 licensing from music publishers and can only obtain sublicensing from lyric companies—in other
 15 words, they cannot substitute one for the other. Compl. ¶ 79. This is a quintessential hallmark of a
 16 submarket and supports LyricFind's allegations. *See Newcal*, 513 F.3d at 1045 (holding a discrete
 17 submarket may be shown through "distinct customers, distinct prices, sensitivity to price changes,
 18 and specialized vendors") (quoting *Brown Shoe*, 370 U.S. at 325); *Fed Trade Comm'n v. Staples*, 970
 19 F. Supp. 1066, 1080 (D.D.C. 1997) (finding different markets where the same office supplies were
 20 sold through "superstores" vs. "non-superstores"); *In re Pool Products*, 940 F. Supp. 2d at 379
 21 (finding different markets for wholesale vs. retail distribution of the same pool products).¹⁹

22 In *United States v. Oracle Corp.*, where plaintiffs sought to enjoin a merger, the court rejected a
 23 market definition only after making detailed findings of fact based on an extensive record including
 24 testimony from dozens of witnesses, including experts. 331 F. Supp. 2d 1098, 1123–65 (N.D. Cal.
 2004).

25 In the cases Musixmatch cites regarding submarkets, plaintiffs either failed to demonstrate
 26 distinctions between the market and submarket, or the submarket was rejected upon a full factual
 27 record. *See Hicks v. PGA Tour, Inc.*, 897 F.3d 1109, 1121 (9th Cir. 2018) (rejecting submarkets for
 28 particular forms of advertising to golf fans without demonstrating advertisers facing a price increase
 could not switch to alternative advertising methods); *In re German Auto. Mfrs. Antitrust Litig.*, 497 F.
 Supp. 3d 745, 756 (N.D. Cal. 2020) (rejecting diesel passenger vehicle submarket because drivers
 facing a price increase could switch to non-diesel vehicles), aff'd sub nom. *Audubon Imports, LLC v.
 Bayerische Motoren Werke Aktiengesellschaft (In re German Auto. Mfrs. Antitrust Litig.)*, No. 20-

1 In any event, LyricFind need not “establish in the complaint[] that the alleged submarket is
 2 economically distinct from the general product market,” as this is a fact issue not properly decided at
 3 this stage. *Heckman v. Live Nation Ent., Inc.*, No. CV 22-0047, 2025 U.S. Dist. LEXIS 69885, at *29
 4 (C.D. Cal. Apr. 11, 2025) (quoting *Newcal*, 513 F.3d at 1045); *X Corp.*, 2025 U.S. Dist. LEXIS
 5 75033, at *21 (“If other platforms or data are in fact closer substitutes (or more competitively
 6 disciplining) than contended, such ‘factual testing [will be] by summary judgment or trial.’”) (quoting
 7 *Newcal*, 513 F.3d at 1045).

8 **2. LyricFind Has Plausibly Alleged Direct and Indirect Evidence of Musixmatch’s
 9 Monopoly and Market Power**

10 LyricFind has plausibly alleged that Musixmatch possesses monopoly power in the Lyric Data
 11 Services Market and Lyric Rights Sublicensing Submarket, as well as market power in the Lyric
 12 Rights Licensing Market.²⁰ Compl. ¶¶ 80, 84. “Monopoly power ‘is the substantial ability to control
 13 prices or exclude competition.’” *Costar*, 2025 U.S. App. LEXIS 15354, at *14 (quoting *Epic Games*,
 14 67 F.4th at 998). “[M]onopoly power can be shown either directly, through evidence of the exercise
 15 of monopoly power, or indirectly, through evidence of a firm’s predominant market share.” *Costar*,
 16 2025 U.S. App. LEXIS 15354, at *15 (citing *Rebel Oil Co. v. Atl. Richfield Co.*, 51 F.3d 1421, 1434
 17 (9th Cir. 1995)).

18 Direct evidence of monopoly power includes “reduced output, increased prices, or decreased
 19 quality in the relevant market.” *Costar*, 2025 U.S. App. LEXIS 15354, at *17 (emphasis in original)
 20 (quoting *Ohio v. Am. Express Co.*, 585 U.S. 529, 542 (2018)). Indirect evidence can be shown
 21 through market shares of 60% or higher, although smaller shares can suffice when coupled with high
 22 barriers to entry. See *Costar*, 2025 U.S. App. LEXIS 15354, at *19 (“[M]arket shares on the order of
 23 60 percent to 70 percent have supported findings of monopoly power.”) (quoting *Hunt-Wesson*

24

17139, 2021 U.S. App. LEXIS 32094 (9th Cir. Oct. 26, 2021); *United States v. U.S. Sugar Corp.*, No.
 25 21-1644, 2022 U.S. Dist. LEXIS 175817, at *66–71 (D. Del. Sep. 23, 2022) (concluding based on
 26 detailed factual record that distributors and refiners belonged in the same product market because
 they competed to supply the same customers).

27 20 “Monopoly power differs in degree from market power, requiring something greater. Like market
 28 power, monopoly power can be established either directly or indirectly.” *Epic Games, Inc.*, 67 F.4th
 at 966. The direct and indirect evidence in the Complaint is relevant to both market and monopoly
 power.

1 *Foods, Inc. v. Ragu Foods, Inc.*, 627 F.2d 919, 924–25 (9th Cir. 1980)) (collecting cases), *cert.*
 2 denied, 450 U.S. 921 (1981).

3 Here, Musixmatch’s monopoly power is supported by both direct evidence in the form of
 4 increased prices and lower quality lyric services, and indirect evidence in the form of its market
 5 shares of 80% and 66%. Each is sufficient to support LyricFind’s Section 2 claims.

6 Direct Evidence: Musixmatch’s imposition of dramatic price increases on DSPs while
 7 simultaneously gaining market share provides direct evidence of its monopoly power in the Lyric
 8 Data Services Market and Lyric Rights Sublicensing Submarket. *See Costar*, 2025 U.S. App. LEXIS
 9 15354, at *16 (reversing dismissal of Section 1 and 2 claims where plaintiff “plausibly alleged
 10 supracompetitive pricing” as direct evidence of monopoly power). In late 2024, soon after the
 11 Exclusive, iHeartRadio was forced to replace LyricFind with Musixmatch at prices “over five times
 12 higher than” what LyricFind charged previously. Compl. ¶ 169. Likewise, another major DSP,
 13 Spotify, was forced to contract with Musixmatch in April 2024 at “substantially higher fees than
 14 those offered by LyricFind.” *Id.* ¶ 108. Musixmatch has maintained these price increases despite
 15 serious issues with its lyric offerings and growing customer complaints. *Id.* ¶ 99.

16 Musixmatch’s ability to charge supracompetitive prices for inferior services while *expanding*
 17 its market share is paradigmatic evidence of monopoly power in both relevant markets. *See Areeda* §
 18 50 (defining monopoly power as “the abilit[y] (1) to price substantially above the competitive level
 19 and (2) to persist in doing so for a significant period without erosion by new entry or expansion.”).²¹
 20 In a competitive market, DSPs would respond to Musixmatch’s price hikes by negotiating lower rates
 21 with LyricFind or other providers. The Exclusive forecloses that option, practically forcing DSPs to

22
 23
 24 21 Furthermore, the Ninth Circuit has flatly rejected Musixmatch’s suggestion that LyricFind must
 25 allege reduced output, in addition to supracompetitive prices, to provide direct evidence of monopoly
 26 power. *See Costar*, 2025 U.S. App. LEXIS 15354, at *17 (“[A] plaintiff need not allege both output
 27 restrictions and supracompetitive pricing to plead direct evidence of monopoly power.”). In *Forsyth*
 28 *v. Humana, Inc.*, at the summary judgment stage, the court found higher prices alone were not direct
 29 evidence of monopoly power “[w]ith no accompanying showing of restricted output” to demonstrate
 30 these prices were supracompetitive. 114 F.3d 1467, 1476 (9th Cir. 1997). LyricFind alleges not just
 31 high prices, but supracompetitive prices, which easily satisfies its burden at the pleading stage. *See*
 32 *Costar*, 2025 U.S. App. LEXIS 15354, at *17.

1 contract with Musixmatch at whatever rates it charges. Compl. ¶¶ 107–08, 140, 146, 152–53, 161,
 2 169, 172–73.

3 Musixmatch’s supracompetitive prices are not “offhand” predictions about “future” pricing as
 4 Musixmatch claims, Mot. 27, but real-world examples from 2024 that are still in place today. Compl.
 5 ¶¶ 108, 169, 172. Musixmatch has no response to this direct evidence of its monopoly power other
 6 than to mischaracterize its 2024 price hikes, puzzlingly, as conclusions about the “future.”

7 Musixmatch’s only remaining claim is that its higher prices have not been passed on to
 8 “consumers,” ostensibly referring to people who stream music on DSPs’ platforms. Mot. 27, n.16.
 9 But DSPs, not individuals who stream music, are the relevant purchasers for antitrust purposes, as
 10 they are the customers who consume the content that Musixmatch and LyricFind distribute. *See*
 11 *PLS.COM, Ltd. Liab. Co.*, 32 F.4th at 832 (“[A] business that uses a product as an input to create
 12 another product or service is a consumer of that input for antitrust purposes . . .”); *Tele Atlas N.V. v.*
 13 *NAVTEQ Corp.*, 2008 U.S. Dist. LEXIS 111866, at *69 (N.D. Cal. 2008) (“The final consumers of
 14 digital map data are the manufacturers of devices that use such data.”).

15 Indirect Evidence: In addition to this direct evidence, LyricFind has plausibly alleged indirect
 16 evidence of Musixmatch’s monopoly power via its dominant shares of the Lyric Data Services
 17 Market (80%) and Lyric Rights Licensing Market (31%). Compl. ¶¶ 91–95, 156, 159–60, 162.

18 Musixmatch’s 80% share of the Lyric Data Services Market, *id.* ¶ 84, is well beyond the
 19 typical 60% threshold required for monopoly power. *Epic Games*, 67 F.4th at 983 (52-55% market
 20 share conferred market power sufficient to foreclose would-be competitors); *Syufy Enters.*, 793 F.2d
 21 at 995 (affirming denial of defendant’s motion for judgment n.o.v on Section 2 claims based on 60-
 22 69% market share) *cert. denied*, 479 U.S. 1031 (1987); *Pac. Coast Agric. Exp. Ass’n v. Sunkist*
 23 *Growers, Inc.*, 526 F.2d 1196, 1204 (9th Cir. 1975) (affirming Section 2 liability based on 45-70%
 24 market share), *cert. denied*, 425 U.S. 959 (1976); *Heckman*, 2025 U.S. Dist. LEXIS 69885, at *31
 25 (sustaining Section 1 and Section 2 allegations based on 60% market share).

26 Unable to contest its dominance, Musixmatch quibbles on the margins, claiming its 80%
 27 market share may be somewhat inflated. Mot. 29. But such critiques would not warrant dismissal
 28 even if they had merit: “the degree of [market share] overestimation and its effect on [Musixmatch’s]

1 overall market share is a fact-intensive inquiry that cannot be resolved on a motion to dismiss.”
 2 *Costar*, 2025 U.S. App. LEXIS 15354, at *20. Moreover, “courts have repeatedly held that a rough
 3 estimation of the defendant’s market share, with no explanation of how that estimation was made, is
 4 sufficient at the pleading stage.” *Klein v. Facebook, Inc.*, 580 F. Supp. 3d 743, 778 (N.D. Cal. 2022).

5 Musixmatch’s critiques fail in any event. Musixmatch claims its 80% market share should not
 6 be calculated based on the streaming revenue shares of the DSPs it services (82%). Mot. 29. But that
 7 is just one metric that supports Musixmatch’s 80% market share. Musixmatch’s market share is also
 8 based on its revenues relative to those of other lyric-services providers, which is around 80%. Compl.
 9 ¶ 84 (noting the rest of the market is “primarily serviced by LyricFind” and that other providers
 10 “account for a *de minimis* share by revenue”).²²

11 Turning to licensing, Musixmatch’s 66% share of the Lyrics Rights Sublicensing Submarket
 12 also exceeds the 60% shares generally required for monopoly power. *Id.* ¶ 80. This monopoly power
 13 over lyric sublicensing—and Musixmatch’s market power over lyric licensing generally—is further
 14 entrenched by significant barriers to entry in the form of the costs, relationships, and technical know-
 15 how needed to engage in lyric licensing, which have precluded new market entrants for years. *Id.* ¶¶
 16 91–94. See *Heckman*, 2025 U.S. Dist. LEXIS 69885, at *31 (holding defendant’s 60% market share
 17 established market power “in conjunction with [] allegations that [defendant] has grown despite
 18 higher fees than competitors in a market that disfavors new market entrants”); *Biddle*, 696 F. Supp.
 19 3d at 885 (holding “developing custom file systems and software infrastructure” are “cost-prohibitive
 20 to build from scratch” and thus barriers to entry).

21 Musixmatch’s argument that it lacks market power over lyric licensing because songwriters
 22 and publishers own the underlying copyrights is meritless. See Mot. 28. Businesses that compete to
 23 distribute other parties’ intellectual property may still monopolize their downstream distribution
 24 markets. See, e.g., *Costar*, 2025 U.S. App. LEXIS 15354, at *26 (upholding allegations that an online
 25

26 Because LyricFind’s allegations regarding Musixmatch’s market share are based on its revenue
 27 relative to lyric services providers and not on DSPs’ streaming revenue, its citations to cases rejecting
 28 market shares extrapolated from different markets are inapposite. See Mot. 28–29 (citing *W. Parcel
*Express**, 65 F. Supp. 2d at 1061; *Bristow Endeavor Healthcare, LLC v. Blue Cross & Blue Shield
*Ass’n**, No. 16-cv-0057, 2016 U.S. Dist. LEXIS 74571, at *8 (N.D. Okla. June 8, 2016), aff’d 691 F.
 App’x 515 (10th Cir. 2017)).

1 platform for real estate listings had monopoly power over the distribution of listing content owned by
 2 brokers); *Syufy Enters.*, 793 F.2d at 993 (holding movie theatre had monopoly power over display of
 3 licensed motion pictures). Musixmatch does not cite a single case to the contrary.²³ Indeed,
 4 Musixmatch’s ability to exclude rivals in practice renders “ultimate control over the lyrics
 5 copyrights” irrelevant, particularly at the pleading stage. Mot. 28 (*citing Ind. Grocery, Inc. v. Super*
 6 *Valu Stores, Inc.*, 864 F.2d 1409, 1414 (7th Cir. 1989) (affirming grant of summary judgment)).

7 VI. Musixmatch Engaged in Concerted Action with WCM

8 A vertical exclusivity agreement between a distributor and supplier, like the Exclusive
 9 between Musixmatch and WCM, constitutes concerted under Section 1 of the Sherman Act. Areeda ¶
 10 1437 (“[C]ourts have long held manufacturer-dealer agreements . . . to be ‘contracts, combinations, or
 11 conspiracies’ within the meaning of Sherman Act § 1”).²⁴ A vertical *licensing* agreement also
 12 constitutes concerted action so long as the licensor and licensee are independent economic actors.
 13 *Townshend v. Rockwell Int’l Corp.*, No. C99-0400SBA, 2000 U.S. Dist. LEXIS 5070, at *18 n.2,
 14 (N.D. Cal. Mar. 28, 2000) (upholding claims licensor and licensee conspired under Section 1 where
 15 they were “independent actors” with “independent motivations” and rejecting claim they could not
 16 conspire); *In re EpiPen (Epinephrine Injection, USP) Mktg., Sales Pracs. & Antitrust Litig.* 336 F.
 17 Supp. 3d 1256, 1301–1302 (D. Kan. 2018) (upholding Section 1 conspiracy claims where licensor
 18 and licensee were “separate entities” with “separate interests” and rejecting claims they “never can
 19 conspire”). Only where a licensor and licensee comprise a single economic actor are they incapable
 20 of conspiring because their agreement would not “deprive the market of independent sources of
 21 economic power previously pursuing separate interests.” *Levi Case Co. v. ATS Prods., Inc.*, 788 F.
 22 Supp. 428, 432 (N.D. Cal. 1992) (citing *Copperweld Corp. v. Independence Tube Corp.*, 467 U.S.
 23 752, 769 (1984)).

24 The case *United Farmers Agents Assn v. Farmers Ins. Exch.*, 89 F.3d 233, 236–37 (5th Cir. 1996)
 25 does not support Musixmatch’s argument. There, the Fifth Circuit affirmed summary judgment
 26 because, given the absence of switching costs or entry barriers, it found that the defendant lacked
 27 market power in the tying market. Here, Musixmatch’s market power derives not only from its
 28 control over songwriters’ or publishers’ intellectual property (see Mot. 28), but its leveraging of these
 switching costs in the downstream distribution market. Compl. ¶ 95.

24 Contrary to what Musixmatch suggests, Mot. 31, none of LyricFind’s claims that require concerted
 25 action hinge on a conspiracy between Musixmatch and TPG. Musixmatch’s concerted action with
 26 nonparty WCM is sufficient for each claim.

1 Here, Musixmatch and WCM are independent economic actors pursuing separate interests and
 2 are not a single economic unit under *Copperweld*. Musixmatch and WCM each entered the Exclusive
 3 for separate reasons. Musixmatch wanted to exclude competitors. Compl. ¶ 142. WCM wanted to
 4 maximize its licensing revenue, which it previously did on a non-exclusive basis. *Id.* ¶¶ 132, 135. The
 5 Exclusive thus brought together “separate economic actors pursuing separate economic interests, such
 6 that the agreement deprives the marketplace of independent centers of decision-making and therefore
 7 of diversity of entrepreneurial interests.” *Am. Needle, Inc. v. Nat'l Football League*, 560 U.S. 183,
 8 195 (2010) (citation modified) (quoting *Copperweld*, 467 U.S. at 769).

9 This epitomizes concerted action under Section 1 of the Sherman Act, as numerous courts
 10 have held under similar facts. In *Townshend*, for example, the court upheld conspiracy claims where
 11 the licensor, like WCM, sought to “maximize licensing revenue,” while the licensee, like
 12 Musixmatch, sought to “exclude[] competitors.” *Townshend*, 2000 U.S. Dist. LEXIS 5070, at *18
 13 n.2. The same dynamic established concerted action in *EpiPen* and *10x Genomics*. In both cases, the
 14 court upheld Section 1 claims where the licensor’s interest was to sell the patented goods, while the
 15 licensee sought exclusivity to exclude its rivals. *See In re EpiPen*, 336 F. Supp. 3d 1256 at 1301–02
 16 (upholding Section 1 claims where licensor and licensee “had separate interests”: the licensor’s was
 17 the “sale” of pharmaceuticals while the licensee’s was “control . . . of competition.”); *10x Genomics,*
 18 *Inc. v. Vizgen, Inc.*, 681 F. Supp. 3d 252, 266 (D. Del. 2023) (upholding Section 1 claims where 10x,
 19 the licensee, “had an interest in excluding competitors, whereas Harvard, as a licensor, had a different
 20 interest in maximiz[ing] the licensing revenue from [its] patents.”) (citation modified) (citing
 21 *Townshend*, 2000 U.S. Dist. LEXIS 5070, at *6 n.2).

22 These separate interests were not present in *Levi*, where an individual patentor merely
 23 transferred his licensing rights to a company that he founded (and later, to its successor) for the
 24 shared purpose of licensing his patents. *Levi*, 788 F. Supp. 428. Nor was it the case in *Pandora*,
 25 where individual comedians, who rely on agents to license their works, transferred their licensing
 26 rights to two licensing agents to act on their behalf. *In re Pandora Media, LLC*, No. 22-cv-00809,
 27 2023 U.S. Dist. LEXIS 181230, at *7–8 (C.D. Cal. Apr. 5, 2023) (“As alleged, no agreement between
 28 the comedians and [their licensing agents] involving the exploitation of the [licensing rights] in which

1 they both held an interest can be considered to deprive the marketplace of independent sources of
 2 economic power previously pursuing *separate* interests.” (citation modified)).

3 Moreover, Musixmatch’s Exclusive went beyond a mere licensing arrangement. The
 4 Exclusive restrained LyricFind’s ability to distribute Lyric Data in addition to lyric licenses, which
 5 further distinguishes this case from *Levi* and *Pandora*. Cf. *Wisconsin v. Indivior Inc. (In re Suboxone*
 6 (*Buprenorphine Hydrochloride & Naloxone*) Antitrust Litig.), No. 13-MD-2445, 2017 U.S. Dist.
 7 LEXIS 179101, at *33–35 (E.D. Pa. Oct. 30, 2017) (upholding claims that a patent holder and
 8 licensee conspired under Section 1 because they were “two separate entities” with “independent
 9 economic interests” and the licensing relationship was “ancillary to the anticompetitive conduct at the
 10 heart of the alleged conspiracy”).

11 Here, LyricFind has plausibly alleged that WCM and Musixmatch are “independent actors”
 12 with “independent motivations”—one to maximize revenue, and the other to exclude competitors.
 13 *Townshend*, 2000 U.S. Dist. LEXIS 5070, at *18. This sufficiently establishes that WCM and
 14 Musixmatch are capable of concerted action under Section 1, which in any case, “is a question of
 15 fact” not properly decided at this stage. See *10x Genomics, Inc.* 681 F. Supp. 3d at 266 (quoting
 16 *Townshend*, 2000 U.S. Dist. LEXIS 5070, at *6). A licensor and licensee’s “contention that they are
 17 incapable of entering into a conspiracy” as Musixmatch claims here, “cannot be resolved in a
 18 12(b)(6) motion to dismiss.” *Townshend*, 2000 U.S. Dist. LEXIS 5070, at *14 (citing *Los Angeles*
 19 *Memorial Coliseum Comm’n v. Nat’l Football League*, 726 F.2d 1381, 1387 (9th Cir. 1984)).

20 **VII. LyricFind Has Properly Alleged WCM’s Intent to Monopolize**

21 Next, Musixmatch claims that LyricFind failed to allege WCM’s specific intent to further
 22 Musixmatch’s monopolization. Mot. 33. This argument fails for two distinct reasons.

23 First, WCM’s intent can be inferred from the nature of the Exclusive. *Nat’l Football League’s*
 24 *Sunday Ticket Antitrust Litig. v. DirecTV, LLC*, 933 F.3d 1136, 1159 (9th Cir. 2019) (holding specific
 25 intent to monopolize can be inferred from conduct “designed to maintain market power”); *Cal. Steel*
 26 & *Tube v. Kaiser Steel Corp.*, 650 F.2d 1001, 1004 (9th Cir. 1981) (same when conduct “is clearly
 27 threatening to competition or exclusionary”). Whatever WCM’s motives, it understood that cutting
 28 off all lyric companies other than Musixmatch would foreclose competition and entrench

1 Musixmatch's monopoly. WCM's specific intent can thus be inferred from the Exclusive's terms.
 2 *Hunt-Wesson Foods, Inc.*, 627 F.2d at 926 ("Specific intent to monopolize will normally be proved
 3 by inference from conduct.").

4 WCM's specific intent is also adequately alleged in the Complaint. WCM was not a passive
 5 bystander. WCM helped Musixmatch implement the Exclusive by telling Spotify that LyricFind was
 6 cut off, while also refusing to provide Spotify a direct license. Compl. ¶ 107. WCM did this to avoid
 7 undercutting "the Exclusive's anticompetitive goals." *Id.* ¶ 150. WCM's affirmative collaboration
 8 with Musixmatch, as alleged, is sufficient to show its specific intent. *See, e.g., In re Pool Products*,
 9 940 F. Supp. 2d at 396 (sustaining claims that supplier and distributor conspired to monopolize
 10 distribution market where a "[distributor] directed the [supplier] not to deal with specific competitors,
 11 and the [supplier] agreed not to do so"); *Realtek Semiconductor Corp. v. MediaTek, Inc.*, 769 F. Supp.
 12 3d 1067 (N.D. Cal. 2025) (sustaining conspiracy to monopolize claim against licensees who
 13 conspired with licensor to harm licensor's rival).

14 **VIII. LyricFind States a Claim for Monopoly Leveraging**

15 In the Ninth Circuit, contrary to what Musixmatch argues, "monopoly leveraging . . . remains
 16 a viable theory under Section 2" of the Sherman Act. *Cost Mgmt. Servs., Inc. v. Washington Nat. Gas*
 17 *Co.*, 99 F.3d 937, 951 (9th Cir. 1996); *see also Heckman*, 2025 U.S. Dist. LEXIS 69885, at *38
 18 ("Monopoly leveraging remains a viable theory for an attempted monopolization or monopolization
 19 claim under Section 2 of the Sherman Antitrust Act to the extent [it means] an attempt to use
 20 monopoly power in one market to monopolize another market.") (cleaned up) (citing *Cost Mgmt.*, 99
 21 F.3d at 951). While the elements of monopoly leveraging and attempted monopolization are the same,
 22 they may be pursued under distinct labels to distinguish between distinct theories. *See Cost Mgmt.*, 99
 23 F.3d at 952 (recognizing that a plaintiff may proceed with claims under both labels when pursuing
 24 distinct theories of attempted monopolization). LyricFind did so here to distinguish between its
 25 single-market attempted monopolization theories (counts 3 and 6) and its leveraging theory that

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1 involves both markets (count 5). *See* Compl. ¶¶ 192–200, 208–214, 216–224. LyricFind’s monopoly
 2 leveraging claim is adequately pled.²⁵

3 **IX. Musixmatch Violated California’s Cartwright Act and Unfair Competition Law**

4 LyricFind has plausibly alleged claims under the Cartwright Act for the same reasons it stated
 5 its claims under Sections 1 and 2 of the Sherman Act, as the Cartwright Act mirrors the Sherman Act.
 6 Compl. ¶¶ 240–50. *Costar*, 2025 U.S. App. LEXIS 15354, at *4 (sustaining claim that exclusive
 7 agreement violates California’s Cartwright Act because that statute “mirrors” the Sherman Act)
 8 (citing *Olean Wholesale Grocery Coop., Inc. v. Bumble Bee Foods LLC*, 31 F.4th 651, 665 n.8 (9th
 9 Cir. 2022) (en banc)). LyricFind has also stated claims under both the “unfair” and “unlawful” prongs
 10 of California’s Unfair Competition Law based on violations of the Sherman and Cartwright Acts,
 11 which similarly borrow from one another. *See Costar*, 2025 U.S. App. LEXIS 15354, at *34; *see Cel-*
 12 *Tech Commc’ns, Inc. v. L.A. Cellular Tel. Co.*, 973 P.2d 527, 539–40, 544 (Cal. 1999) (the UCL’s
 13 “unlawful” prong “borrows violations of other laws and treats them as unlawful practices”).

14 **X. Musixmatch Interfered with LyricFind’s Prospective Economic Advantage**

15 LyricFind has plausibly alleged a claim against Musixmatch for both negligent and intentional
 16 interference with LyricFind’s prospective economic relationships with Spotify and iHeart Radio.²⁶
 17 *See supra* Statement of Facts. The elements of a claim for interference with prospective economic
 18 advantage are: “(1) an economic relationship between the plaintiff and some third party, with the
 19 probability of future economic benefit to the plaintiff; (2) the defendant’s knowledge of the
 20 relationship; (3) intentional acts on the part of the defendant designed to disrupt the relationship; (4)
 21 actual disruption of the relationship; and (5) economic harm to the plaintiff proximately caused by the
 22 acts of the defendant.” *CRST Van Expedited, Inc. v. Werner Enters., Inc.*, 479 F.3d 1099, 1108 (9th
 23 Cir. 2007), quoting *Korea Supply Co. v. Lockheed Martin Corp.*, 63 P.3d 937, 941 (Cal. 2003).

24

25 25 Musixmatch also argues that LyricFind’s monopoly leveraging claim fails because its attempted
 26 monopolization claims fail. Mot. 34. Musixmatch’s Motion, however, does not present any arguments
 27 specific to LyricFind’s attempted monopolization claim beyond the market share and market
 definition arguments that LyricFind has rebutted above. *See supra* § V.

28 26 The allegations of the Complaint also make clear that Defendants also tortiously interfered with
 LyricFind’s prospective economic relationship with WCM, and discovery may reveal further
 unlawful interference by TPG and Musixmatch with LyricFind’s economic relationships.

1 LyricFind adequately alleges that Musixmatch in fact disrupted LyricFind's prospective
 2 economic relationships with Spotify and iHeartRadio, among others. Musixmatch fails to explain
 3 why these allegations are insufficient other than to label them "conclusory." Mot. 36.²⁷ Moreover, an
 4 alleged antitrust violation is sufficient to constitute an "independently wrongful act" for purposes of
 5 an intentional interference claim. *Jensen Enters. Inc. v. Oldcastle, Inc.*, 2006 U.S. Dist. LEXIS
 6 68262, at *9 (N.D. Cal. Sept. 7, 2006). Musixmatch cannot, and does not, rule out that its
 7 anticompetitive conduct was the proximate cause of the disruption of LyricFind's anticipated
 8 business relationships with Spotify or iHeartRadio.

9 To the extent Musixmatch relies on Spotify's continued dialogue with LyricFind after
 10 Musixmatch's initial leak of NDA-protected information, the Complaint indicates otherwise. Compl.
 11 ¶ 105. "Disruption" for purposes of an interference claim does not necessarily require a breach of a
 12 contract or a complete severance of a relationship; it is sufficient if the plaintiff's performance in the
 13 economic relationship is "more costly or burdensome" due to the defendant's interference. *Pac. Gas*
 14 & Elec. Co. v. Bear Stearns & Co., 791 P.2d 587, 592 (Cal. 1990). That is precisely what happened
 15 here. Further, unlike in *E & E Co., Ltd. v. Kam Hing Enters., Inc.*, 2008 U.S. Dist. LEXIS 96755
 16 (N.D. Cal. Nov. 19, 2008) and *Accuimage Diagnostics Corp. v. Terarecon, Inc.*, 260 F. Supp. 2d 941
 17 (N.D. Cal. 2003), where the plaintiffs failed to adequately allege the underlying independent wrong,
 18 LyricFind has adequately alleged that Musixmatch's disclosure of LyricFind's confidential
 19 information breached the NDA.

20 LyricFind's negligent interference claim is also sufficiently pled. "[A]ll persons are required
 21 to use ordinary care to prevent others from being injured as a result of their conduct," and
 22 Musixmatch, as a competitor, clearly knew or had reason to know that its conduct would impair and
 23 disrupt LyricFind's negotiations with both Spotify and iHeartRadio. *United Tactical Sys., LLC v. Real*
 24 *Action Paintball, Inc.*, 143 F. Supp. 3d 982, 1014 (N.D. Cal. 2015); *Code Rebel, LLC v. Aqua*
 25 *Connect, Inc.*, 2013 U.S. Dist. LEXIS 137937, at *7 (C.D. Cal. Sept. 24, 2013).

26
 27 In Jobscience, the plaintiff failed to demonstrate not only disruption, but also every other element
 28 of its interference claim. *Jobscience, Inc. v. CVPartners, Inc.*, No. C 13-04519, 2014 U.S. Dist.
 LEXIS 2741, at *10 (N.D. Cal. Jan. 9, 2014). The court accordingly did not apply the "disruption" or
 "proximate cause" elements to factual allegations comparable to those in the Complaint.

1 **XI. Musixmatch Breached Its Non-Disclosure Agreement with LyricFind**

2 Musixmatch incorrectly applies California law, rather than Ontario law, to its analysis of
 3 LyricFind's breach of contract claim. *See Declaration of Darryl Ballantyne in Opposition to TPG*
 4 *Global, LLC's Motion to Dismiss Pursuant to Fed. R. Civ. P. 12(b)(6), Ex. A ¶ 15 (ECF No. 57-2).*²⁸
 5 The essential elements of a breach of contract claim under Ontario law are "the particulars of the
 6 alleged contract including the terms, the nature of the alleged breach, [and] causation and damages
 7 that are alleged to have flowed from the breach." *Wallace Sales & Consulting, LLC v. Tuopo N. Am.,*
 8 *Ltd.*, 2015 U.S. Dist. LEXIS 96681, at *3 (E.D. Mich. July 24, 2015) (applying Ontario law in
 9 denying motion to dismiss), quoting *McCarthy Corp. PLC v. KPMG LLP* (2006), O.J. No. 1492,
 10 para. 41 (Can. Ont. Supreme Ct. of Justice). LyricFind has adequately pled each element with respect
 11 to Musixmatch's breach of the NDA.

12 Musixmatch's argument that LyricFind did not describe the confidential information at issue
 13 with sufficient particularity applies the wrong pleading standard and should be rejected. *Chaganti v.*
 14 *I2 Phone Int'l Inc.*, No. C 04-0987, 2005 U.S. Dist. LEXIS 46449, at *8 (N.D. Cal. Mar. 10, 2005)
 15 ("Notice pleading does not impose heightened pleading standards when alleging a breach of
 16 contract.").²⁹ All that is required for a breach of contract claim is a "short and plain statement of the
 17 claim," which LyricFind has provided. Fed. R. Civ. P. 8(a)(2).

18 Musixmatch also misunderstands the nature of LyricFind's alleged damages. Musixmatch
 19 incorrectly claims that LyricFind's only alleged injury is the "lost the opportunity to partner with
 20 Spotify." Mot. 38. This ignores paragraph 105 of the Complaint, which provides that: "Defendants'
 21 wrongful disclosure of LyricFind's confidential information impaired the negotiations between
 22 Spotify and LyricFind, causing a substantial disruption to LyricFind's business and *requiring*
 23 *LyricFind to incur additional costs and expend additional resources to address Defendants'*

24 The NDA is referenced extensively in the Complaint and is therefore incorporated by reference
 25 therein. *United States v. Ritchie*, 342 F.3d 903, 908 (9th Cir. 2003). It may therefore be considered on
 26 this motion.

27 29 *Space Data Corp. v. X*, No. 16-CV-03260-BLF, 2017 U.S. Dist. LEXIS 22571, at *2 (N.D. Cal.
 28 Feb. 16, 2017) is inapposite. In addition to being decided under California, not Ontario, law, the
 Space Data plaintiff's breach of contract claim was dismissed because the complaint did not specify
 "how" the use of the confidential information at issue "violated the NDA." *Id.* That is not the case
 here, where LyricFind did specify how Musixmatch's revelation of LyricFind's confidential
 information breached the NDA.

1 *misconduct.*" Compl. ¶ 105 (emphasis added). Musixmatch cannot, and does not, claim that there is
 2 no causal link between these alleged damages ("additional costs" and expenditure of "additional
 3 resources") and its breach.

4 **XII. LyricFind Withdraws Its Claims Under Section 3 of the Clayton Act**

5 Lastly, in response to Musixmatch's arguments at Mot. 34, LyricFind agrees to withdraw its
 6 claims under Section 3 of the Clayton Act (Count 8). *See* Compl. ¶¶ 232–39.

7 **CONCLUSION**

8 For the foregoing reasons, Musixmatch's Motion should be denied in full.³⁰

9
10 Dated: July 10, 2025

Respectfully submitted,

11 /s/ Kellie Lerner

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36 To the extent the Court finds that any of LyricFind's claims are not adequately stated, LyricFind
 37 respectfully requests leave to amend its Complaint pursuant to Fed. R. Civ. P. 15, which requires that
 38 leave to amend be freely granted. *Foman v. Davis*, 371 U.S. 178, 182 (1962).

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Attorneys for Plaintiff LyricFind, Inc.

1
2 **CERTIFICATE OF SERVICE**
3

4 I hereby certify that, on July 10, 2025, the foregoing was filed through Court's electronic
5 filing system, which will send electronic notice of this filing to all counsel of record.
6

7 */s/ Kellie Lerner*
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